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CONDITIONS AND PROSPECTS FOR ECONOMIC GROWTH IN COMMUNIST CHINA*

BY ALEXANDER ECKSTEIN

THE Communist conquest of mainland China may be legitimately viewed as the culmination of a century-long interregnum during which the traditional equilibrium of Chinese society was profoundly disturbed by the Western impact, at a time of dynastic decline. The initial impact of the West was in the nature of a shock treatment administered by the Opium War, the subsequent military defeats, the unequal treaties, and the rise of the whole Treaty Ports system. Thus China's first massive contact with the West was associated with humiliation, bewilderment, frustration, and a sense of inequality. In these terms, then, a constant and continuing struggle for equality has been a hallmark of China's development since 1840.

The military and diplomatic defeats suffered by the Chinese made them conscious of the West's technological and industrial superiority. In fact, one of the essential ingredients in China's striving toward equality was economic—expressed in a deep-seated aspiration to catch up, to narrow the gap, and to industrialize. In other words, the Western impact generated "tension between the actual state of economic activities in the country and the existing obstacles to industrial development, on the one hand, and the great promise inherent in such a development, on the other."[1]

Therefore, the Chinese Communist program of industrialization has deep historical and nationalist roots; and it is from its nationalist aspects that the program derives an emotional appeal

* I wish to acknowledge the help of the M.I.T. Center for International Studies in making this essay possible and to thank Professor W. W. Rostow for his many valuable comments on the issues that it raises. I have also greatly benefited by my discussions with members of the CENIS economic development staff seminar concerning empirical and theoretical approaches to the analysis of growth problems. Valuable assistance was also rendered by Mr. Peter Gutmann in assembling data and preparing some of the tables, and by Messrs. K. C. Chao and Ronald Hsia in advising on certain points of fact.

[1] Alexander Gerschenkron, "Economic Backwardness in Historical Perspective," in *The Progress of Underdeveloped Areas*, ed. by Bert F. Hoselitz, Chicago, 1952, p. 5.

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not only in China, but in Asia as a whole. At the same time, the long-run power aspirations of the regime, important sanctions for tightening economic and political control, and to some extent its very social function and *raison d'être* are conditioned by industrialization and a sustained process of economic growth.

This is the general context within which the analysis of conditions and prospects for economic growth in Communist China is approached in this article. In Part I an attempt is made to sketch in broad outline the major characteristics of China's mainland economy prior to the Communist conquest. Part II is devoted to an exploration of economic recovery and structural changes in the economy since 1949. Finally, Parts III and IV are focused upon an analysis of factors favoring or impeding economic development under Chinese mainland conditions.†

I. The Chinese Economy in 1949

Upon their conquest of the Chinese mainland in 1949, the Communists inherited what was essentially a dual economy. Under the Western impact of the mid- and late-nineteenth century, there had developed in the Treaty Ports a more or less modern commercial economy which was never fused or merged with, but rather grafted upon, the more or less stationary and traditional economy of "earthbound China." Foreign trade, which provided the motive force for a self-generating process of economic growth confined to the Treaty Ports sector, had served to undermine rural handicrafts and thus led to decline rather than expansion in the farm economy.

Viewed in these terms, one of the major long-term economic tasks of the new regime was to find some means of loosening the bonds of the rural economy and of linking it to the modern sector in such a way as to induce a widely diffused and sustained process of economic growth. However, as of 1949, all segments of the Chinese economy (agriculture, industry, transport, and foreign trade) and the institutional framework within which they operated were damaged by war and civil conflict. Therefore,

† Parts I and II of the analysis are contained in this article. Parts III and IV will appear in the January and April issues of *World Politics*.

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the most urgent short-term tasks of the regime were to restore the basic capacity to produce and to exchange goods and services, and to prepare the way for a long-term program of industrialization; joined to these was the task of institutional reform in order to guarantee a maximum degree of detailed Communist authority over the disposition of resources.

In essence, these recovery and institutional targets were attained by 1952, despite Chinese intervention in the Korean War. The existence of large military operations in 1950-1951 cut both ways: it drained off resources from reconstruction, but it also provided a suitable political setting for a drastic transfer of economic powers and resources to the Communist state. Basically, recovery could be rapid only because labor and developed resources were underemployed during this stage. Therefore, the 1949-1952 period provided primarily a test of the new regime's capabilities in the field of economic organization and control, rather than of its capacity to launch successfully and carry through a program of industrialization and economic development. The latter issue began to assume paramount importance in 1953, as resources began to be more or less fully employed and as the regime was increasingly confronted with basic limitations imposed by the interacting forces of physical environment, population pressure, and past inheritance. To understand the character of the Chinese economic development problem, it is necessary to examine briefly these limiting factors.

A. AGRICULTURE

The structure of China's mainland economy is typical of a pre-industrial society. Agriculture, accounting for 75 per cent of the population, contributes 40 per cent to national product, while the urban sector, with only 15 per cent of the population, makes roughly the same contribution. At least an additional 10 per cent of China's people live in rural areas, engaged mostly in non-farm tasks and producing about 20 per cent of total national output.[2]

[2] These figures, as well as all national income estimates throughout this article, are based on preliminary findings emerging from a detailed study of Communist China's gross national product which the author is in the process of preparing.

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Chinese agriculture is, of course, a classic example of intensive cultivation with high yields per acre, low output per man. The result is a vast population kept at or barely above subsistence level by the most arduous, subtle, personalized cultivation of the soil. The Chinese farmer is caught in a familiar cul-de-sac by the self-reinforcing interaction of overpopulation, intensive low per-man yields, illiteracy, and poverty, with practically no margin left for saving and investment.

The pattern of mainland China's population growth constitutes one of the most confusing chapters in the country's long history. However, Sinologists are fairly well agreed that, paralleling the rise and decline of dynasties, China's population may have followed a cyclical pattern for about fifteen centuries.[3] Expanding food production—brought about by an extension of the cultivated area and by the introduction of corn, sweet potatoes, and peanuts—and a long period of dynastic peace apparently led to a doubling of the population between the seventeenth and nineteenth centuries. As a result, population is believed to have been around 340 million in 1850, rising further thereafter possibly to 450-500 million. (According to the most recent census results announced by the Chinese Communists, the mainland population is supposed to be 582 million.) This rapid increase in population outstripped the expansion in acreage, so that the cultivated area per capita may have been almost halved between 1685 and 1930.[4]

Inefficiencies inherent in small-sized farms were greatly aggravated by continuous fragmentation of landholding, resulting from population pressure, lack of non-farm employment opportunities, and China's age-old inheritance practices, which provide for the splitting-up of land among all surviving sons.[5] Surveys conducted in the early thirties indicate that the average-sized farm of about 3.2 to 3.3 acres, or 21 *mow*, was broken up into close to six distinctly separate parcels with an average distance of 0.4 miles between farmstead and parcel. However, these averages conceal very marked inequalities in farm size, inasmuch

[3] Ta Chen, *Population in Modern China*, Chicago, 1946, p. 1.

[4] A. K. Chiu, "Agriculture," in *China*, ed. by H. F. MacNair, Berkeley, Calif., 1946, p. 469.

[5] This seems to have been the practice at least as far back as the Han dynasty.

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as 36 per cent of the farms were under 10 *mow* (1.5 acres) and 25 per cent were between 10 and 20 *mow*.[6]

The only way these small and highly fragmented holdings can maintain such a densely settled population is by exceedingly intensive land use and double-cropping on nearly two-thirds of the cultivated land area. This practice is particularly widespread in the irrigated rice area of the south, where two or more crops are planted on about three-quarters of the farm area, as compared with only 7 per cent in the wheat region of the north. The very high intensity of land use in China is also illustrated by the fact that in all regions about 90 per cent of the farm area is in crops, while only about 1 per cent is in pastures, as compared with 40 per cent or more in the United States. Yet livestock density per acre is quite high, higher than in Japan or the United States. However, the bulk of farm animals are used for draft power, so that only about one-fourth are available for human consumption or for industrial raw materials. Owing to the small size of farms, parcels, and fields, animal draft power is underemployed. Therefore, some of the livestock on China's farms represents a net drain on food resources.

The same can be said of farm labor. It has been estimated that on China's farms the able-bodied men (15-60) are idle for an average of almost two months a year. Were one to include women in the labor force, this underemployment would be even greater. While much of it is of a seasonal character, there is no question that in China, just as in other underdeveloped agrarian countries, moderate and gradual withdrawals of labor from agriculture (without change in technology) need not affect farm production.

With high intensity of land use and age-old soil conservation and irrigation practices, crop yields per acre are quite high. They are somewhat above the levels attained in Meiji Japan, but lag considerably behind the yields attained in present-day Japan. This would tend to suggest that crop productivity in China has been pushed about as far as traditional practices and methods will permit, so that, just as in Japan, large improvements in farm

[6] J. L. Buck, *Land Utilization in China*, Shanghai, 1937, pp. 181-85 and 267-73; C. C. Chang, *An Estimate of China's Farms and Crops*, Nanking, 1932.

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output can be attained only through the introduction of technology and improved practices from abroad.

All of these factors combined have traditionally pressed the Chinese peasant close to the margin of subsistence. Even allowing for regional differences in topography, climate, and type of agriculture—particularly between the northern wheat region and the southern rice areas—the situation of the peasant probably deteriorated over the disordered century after 1840, mainly in response to the rise in population, but also reflecting civil disturbances and the decay of handicraft industry (notably textiles) in competition with manufactured products. Just as in earlier periods of dynastic decline, the impact of natural disasters such as droughts and floods may also have been aggravated during this period of civil disorder and weak central rule. Thus Buck's investigations show that within the memory of his informants there was an average of close to four famines in the northern wheat region and about 2.5 in the rice areas of the south, caused for the most part by droughts and floods.

During the Nanking government period (1928-1937), considerable efforts were made to reverse this situation by improvement in farm and irrigation practices and in flood control. However, these modest beginnings were interrupted by the Japanese War, which led to a decline in agricultural output, from a peak in 1936 to a low point in 1945. Excepting 1949 itself—a year of acute drought—Chinese agriculture recovered steadily after 1945, roughly achieving the 1936 level in 1952. There was, however, a considerable backlog of repair and maintenance to be done on river control and irrigation installations.

B. INDUSTRY

State entrepreneurship provided the initial impetus for the establishment of factory industry in China, confined for the most part to government arsenals and armament work in the 1860's and 1870's. However, the development of modern industry was really launched only in the 1890's, when the Treaty of Shimonoseki opened the way for the construction and operation of foreign-owned factories in the Treaty Ports. This was then coupled with the granting of differential advantages to the Treaty Powers, such

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as the right of inland water navigation exempt from native charges. As a result, the interest of the imperial powers shifted from trade to railroads, a shift accompanied by a heightening of competition for strategic power in China, as opposed to merely commercial profit.

In the meantime, cotton textile imports increased appreciably with the cheapening of overseas transport and the low-cost production of factory-made cotton-yarn in India. This served to undermine the position of rural handicrafts, particularly the hand-spinning of yarn, and to create a market for manufactured textile products.[7] The growth of this market provided the impetus for the development of a cotton textile industry in China which, as in many other societies, thus took the lead in the process of industrialization. This was followed by the rise of other consumers' goods industries which developed as a by-product of foreign trade, i.e., flour mills, cigarette and match factories, etc. At the same time, power plants and light engineering works, as well as railroads, had to be developed to service these new industries. All of this was accompanied by the institution of other external economies, such as banking and trading facilities.

Industrial expansion was greatly stimulated during World War I, when China was cut off from the world market, so that her infant industries temporarily enjoyed the benefits of protection with but a nominal tariff. These protectionist effects continued to prevail after the war, when the terms of trade moved against China owing to the falling gold price of silver.[8] They were then reinforced by the 1929 tariff. As a result, textile and other industries grew in China proper—with some interruptions —up to 1937. In the latter stages of this development, the initiative passed largely from Western to Japanese and Chinese capital and enterprise. By 1937, not much less than half of China's cotton spindles and looms were under Japanese management; and, of course, Japan controlled virtually all of China's industry at the end of World War II.

[7] H. D. Fong, "Rural Industries in China," *Problems of the Pacific*, 5th Conference of the IPR, Banff, Alberta, 1933.

[8] Li Choh-ming, "International Trade," in *China*, *op.cit.*, p. 498.

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Under the impact of this half-century of growth, there developed a modest, largely light consumers' goods industry on the periphery of the Chinese economy. It was confined to the Treaty Ports, where a Western institutional and legal framework, conducive to its growth, was established. This industrial development was essentially an imported and superimposed product—oriented to foreign rather than internal trade—which did not encompass the traditional economy of China and thus did not serve as the base for a sustained process of economic growth.

An entirely different pattern emerged in Manchuria, where the population-resource balance was more favorable and the institutional environment less resistant to industrialization than in China proper. However, the decisive factor was the injection of the Japanese, who from 1931 on were determined to develop Manchuria into a heavy industry and war base. This involved them in a program of comprehensive and planned economic development with an accent upon expansion of communications and producers' goods industries.

The upshot of this complex and erratic evolution was a basic industrial capacity roughly indicated by the following production figures, which combine 1943 Japanese-controlled output in Manchuria and the 1936 figures for the rest of China. (See Table 1.) This modern sector, operating at its peak, employed about three million workers, and produced about 7 per cent of national output.

The Communists did not, however, inherit Chinese industry intact. In 1945, apparently operating on the likelihood that the Kuomintang would reestablish its authority in China, Moscow ordered the dismantling of many key installations in Manchuria and their removal to Russia as Japanese reparations. In addition, there was some important war damage to industrial installations elsewhere in China.

C. DISTRIBUTION

Primitive, inadequate, and costly transport has been one of the key factors limiting China's economic development. Mainland China (excluding Outer Mongolia and Tibet), with territory

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roughly the same size as the United States, had only 15,000 miles of railway at the time the Communists took over, as compared with approximately 400,000 miles in the United States. With such a small network, only East China and Southern Manchuria are well served, while South and West China are barely touched.

TABLE 1

ESTIMATED PRE-1949 PEAK PRODUCTION OF SELECTED INDUSTRIAL PRODUCTS IN MAINLAND CHINA

Product	*Unit*	*China Proper*	*Manchuria*
Pig Iron	metric tons	290,640	1,700,000
Crude Steel	"	50,000	843,000
Rolled Steel	"	negl.	485,700
Coal	"	33,000,000[a]	25,630,000
Crude Oil	"	n.a.	214,000
Cement	"	608,000	1,532,000
Paper	"	n.a.	76,000
Flour	"	1,800,000	650,000[b]
Sugar	"	392,000	17,600[c]
Cotton Yarn	bales	2,100,000	n.a.
Cotton Cloth	bolts	30,000,000	n.a.
Cigarettes	billions of sticks	57	25
Electric Power:			
Capacity	thousands of KW	893	1,786
Output	millions of KWH	2,425	4,475

[a] Estimates range from 22,000,000 to 40,000,000; the figure used here is based on Woytinski and represents a 1940-1944 average.

[b] 1937

[c] 1940

SOURCES: Edwin W. Pauley, *Report on Japanese Assets in Manchuria to the President of the United States*, July 1946; *Report by Kao Kang at the First Conference of Representatives of the Chinese Communist Party in the Northeast*, Mukden, March 13, 1950; *Manchukuo Yearbook, 1942*, pp. 511-70; *Chinese Yearbook, 1944-1945*, pp. 654-55; T. H. Shen, *Agricultural Resources of China*, Ithaca, N.Y., 1951; *Statistical Yearbook of the League of Nations, 1942-1944*, Geneva, 1945; Kate Mitchell, *Industrialization of the Western Pacific*, New York, 1942; W. S. Woytinski and E. S. Woytinski, *World Population and Production*, New York, 1953.

As a result, a very large share of trade is carried by traditional methods, i.e., coastal shipping, inland water transport, pack animals, carts, and the backs of men. Such modes of transport appear cheap per day, but they are expensive per mile, so that farmers seldom take their produce more than thirty miles to market.[9]

[9] G. B. Cressey, *China's Geographic Foundations*, New York, 1934, p. 26.

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According to one investigator, the transport cost of grain from Shensi to Shanghai exceeded the total cost of grain imported from the west coast of the United States.[10]

These very high transport costs have been among the principal factors hampering the commercialization of agriculture and narrowing the market for industrial products. However, rural self-sufficiency was not nearly as complete as was frequently supposed. Probably over a quarter of the goods consumed by agricultural families were purchased. In turn, they sold about half of their total output; but the bulk of farm products marketed involved exchange within the same *hsien* (county), and only an estimated 8 per cent was shipped to distant urban markets.[11]

Consequently, China exhibited a highly cellular marketing pattern with varying and fluctuating scarcity relationships and price tendencies in different areas. Frequent local famines were a reflection of this high degree of fragmentation. All of these problems were greatly aggravated by civil strife and a lack of central administrative unity. As the civil war spread between 1945 and 1949, the whole system of distribution and urban-rural interchange was further corroded under the impact of galloping hyperinflation and repeated disruption of railway transport.

D. FOREIGN TRADE

In aggregate terms, foreign trade has never been of major importance for the Chinese economy. Thus, in 1936, for example, per capita imports and exports (including Manchuria) were smaller than in any other country.[12] Moreover, probably at no time did total trade exceed 10 per cent of national product. At the same time, however, foreign trade played a major role in bringing the closed, traditional economy of China within the purview of the world economy, thereby providing the impetus for the rise of a small modern industry.

Broadly speaking, China's imports and exports evolved along lines typical of a generally underdeveloped and slowly growing economy. This is best illustrated by the course of cotton textile

10 Julean Arnold, in *Chinese Economic Journal* (October 1930), p. 1,069.
11 Buck, *op.cit.*, p. 349.
12 U.S. Department of Commerce, *Foreign Commerce Yearbook, 1937*, Washington, 1938.

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trade. At first, China was a net exporter of handwoven cotton goods. However, with the opening of the Suez Canal and the decline in overseas transport costs, manufactured cotton textiles began to compete successfully with native cloth. As a result, cotton goods imports grew rapidly until the turn of the century, when they constituted 40 per cent of total imports. During this same period, China was a small net exporter of raw cotton. With an expanding domestic market for manufactured cotton textiles, the development of a cotton textile industry was stimulated, which led to a gradual decline in the import of textile products. This change was accompanied by growing net imports of raw cotton; but with expanding domestic cotton production this trend was reversed, so that by the time of the Sino-Japanese War (1937), production had just about caught up with requirements.

A number of other import products, such as cigarettes, matches, and flour, followed a similar course. Thus manufactured and semi-manufactured consumers' goods, which dominated total import figures at the turn of the century, gave way slowly but steadily to industrial equipment and raw materials. On the other hand, the rise in urban population, combined with a lag in internal transport development, led to an increasing food import requirement.

Chinese exports, initially confined mainly to silk and tea, broadened out over the years to embrace a wider range of the country's natural resource products: beans and bean products, eggs, hog bristles, hides, soy beans, tungsten, tung oil, and then iron ore and coal for Japan. These structural changes in China's foreign trade and economy were also reflected in her balance of payments. Early in the nineteenth century, China had a favorable balance of trade and a surplus on current account. As trade expanded and opium imports grew, this surplus diminished, while the trade and current account balance became unfavorable.[13] From then on, China's balance of payments, as shown in Table 2, exhibited characteristics typical of most underdeveloped areas.

As China was drawn more and more into the world trading network, its foreign trade expanded rapidly until the 1930's,

[13] F. C. Remer, *The Foreign Trade of China*, Shanghai, 1926, pp. 222-23.

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when the country's total exports (including Manchuria) reached about US $1 billion (at 1952 prices). At the same time, the trade deficit and the adverse balance of payment on current account were largely financed by new foreign investment. In this connection, it should be noted that net capital imports and foreign

TABLE 2

BALANCE OF CHINA'S INTERNATIONAL PAYMENTS, 1841-1935

(in millions of Chinese dollars)

	1841 (*Sargent*)	1903 (*Morse*)	1930 (*Remer*)	1935[a] (*Bank of China*)
Current outpayments:				
Merchandise imports	25	492	1,965	1,129
Specie imports	–	58	101	–
Service of foreign loans	–	69	111	108
Chinese expenditures abroad	–	7	13	55
Remittance of foreign enterprises and other profits	–	35	227	55
Total	25	661	2,417	1,347
Current inpayments:				
Merchandise exports	13.3	374	1,476	662
Specie exports	11.2	51	48	357
Foreign expenditures in China	0.5	81	218	150
Overseas remittances	–	114	316	260
Total	25.0	620	2,058	1,429
Capital inpayments:				
New foreign investments in China	–	42	202	140
Unaccounted for	–	—1	—157	222

[a] Excluding Manchuria.

SOURCE: Li Choh-ming, "International Trade," in *China*, *op.cit.*, p. 501.

expenditures combined exceeded current outpayments for debt charges and profit remittances. One of the unique features of the whole current account is the great importance of remittances from overseas Chinese.

China's balance of payments followed a rather different pattern during the highly disturbed postwar years. Balance of payment deficits, financed largely by various forms of foreign aid, were constantly growing, while the flow of private foreign investment

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declined very appreciably. Trade recovered to about half its peak prewar level by 1948; between 1948 and 1952, the Communist regime roughly reestablished the prewar level. The direction and constitution of foreign trade has, however, been drastically altered as compared with the prewar pattern, with the Soviet bloc countries fulfilling the predominant role formerly held by Japan and the West with respect to both imports and exports.

E. THE INSTITUTIONAL FRAMEWORK

In agriculture the system of organization inherited by the Communists was essentially that of traditional China. Land was privately held but unequally distributed; thus 10 to 15 per cent of the farm population owned 53 to 63 per cent of the land. According to a 1934-1935 Nationalist government survey of 1,545 big landlord families and 752,865 peasant families in 87 districts scattered throughout eleven provinces, landlord holdings ranged from 300 to 20,000 *mow* and averaged around 2,030 *mow*, as compared with an average peasant holding of 15.8 *mow*.[14] This concentration of land ownership was most pronounced in the Yangtze and Pearl river valleys and in recently settled provinces of Manchuria and Inner Mongolia.

In general, outright tenancy was not as prevalent as is generally believed—even though it had increased in recent decades. Thus, in 1947, only about one-third of the farm population were tenants, one-quarter were part-owners, and about 40 to 45 per cent were full owners.[15] Therefore, agrarian unrest in China was primarily compounded of interacting influences generated by the pressure of population and the system, rather than the extent, of tenancy. High population densities—particularly pronounced in South China—led to an intense competition for land. This land hunger of the peasants then opened the way for exploitation and abuse, as illustrated by insecurity of tenure, high rents varying from 40 to 70 per cent of the crop and, for Szechwan at least, collections of rent for years ahead.

The negative features of the tenancy system were greatly aggravated by very onerous terms of credit imposed upon the

[14] A. K. Chiu, "Agriculture," in *China*, *op.cit.*, p. 474.
[15] *China Handbook, 1950*, New York, 1950, pp. 581-83.

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farmer. In a country like China, the farmer's operational margin is very low even in a normal year; owing to poor communications, a local scarcity can push up food prices and so diminish the real value of a money loan. When to these conditions is added a 30 to 35 per cent rate of interest per annum,[16] the economic forces which tended to pauperize the peasant become clear. The problem was further complicated by the fact that it was the landlords who frequently performed the money-lending and marketing function. Through the complex structure of secret society, clan, and family organizations, they dominated the social life of the villages; and, politically, they remained the villages' chief intermediaries with the central political authorities on the strategic issues of taxation and army recruitment. There had, of course, been changes in the traditional pattern over the first half of the century, as evidenced by a slow spread of peasant cooperatives, institutes to improve cultivation methods, and other government and private efforts to increase the efficiency and equity of life in Chinese agriculture; and, in the north, the Communists had already begun their restructuring of village life by land redistribution and rent reductions in the areas they held. By and large, however, the old system was still in force during the process of Communist takeover in 1948-1949.

The war with Japan and Japanese occupation had broken or seriously damaged the private enterprise structure of Chinese banking, commercial, and industrial life, with its large component of foreign interests. Under the pressures of war and the immediate postwar situation, the Nationalist government assumed an enlarged place in the economy. The scope of government participation in the economy increased, particularly after 1945, when the Nationalist government confiscated as war booty all Japanese-owned and -operated enterprises on the Chinese mainland. As a result, the Communists inherited an almost completely nationalized heavy industry in Manchuria, and a partially nationalized consumers' goods sector in China proper.

The post-1945 Chinese economy was in a state of chronic inflation; and this unstable monetary setting was also part of the Communists' inheritance, posing for them their first major

[16] Buck, *op.cit.*, Table 18, p. 462.

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challenge in economic policy. Gaping budget deficits primarily financed by new note issues had been a major source of inflationary pressure in China ever since the beginning of the Sino-Japanese War in 1937. However, this situation was getting progressively worse, with actual expenditures invariably exceeding budgeted amounts. This contributed to further currency depreciation, while, in turn, the very speed of hyperinflation made it even more difficult to balance the budget or to estimate expenditures in advance. In spite of a partial reversion to barter, the fact of inflation bore heavily on the urban population, complicated internal and foreign trade, and transmitted itself as a symbol of the Nationalist government's weakness and inadequacy throughout the country.

II. The Reactivation of Capacity: 1949-1952

The over-all economic objective of the Chinese Communist regime, as defined by Mao Tse-tung in 1950, was to bring about in approximately three years a "fundamental turn for the better" in the torn and disrupted economy of the mainland.[17] Specifically, this involved: (a) capturing the "commanding heights" and thus extending and consolidating the state's control over the economy; (b) attaining fiscal and financial stability; (c) restoring the country's productive apparatus and output to pre-1949 peak levels; and (d) laying the groundwork for long-range planning.

In broad terms, all of these goals were attained by the end of 1952. This comparatively rapid recovery represents an undeniable achievement which must be appraised against the background of certain favorable factors uniquely operative during the 1949-1952 period.

The Communists, upon gaining control over the Chinese mainland in 1949, inherited an economy in which productive capacity was appreciably curtailed: first by the Sino-Japanese War, and later by Soviet occupation and civil war. Manufacturing capacity was impaired, particularly in Manchuria, where over half of the capital stock in industry was dismantled and

[17] Report delivered at the session of the National Committee of the Chinese People's Political Consultative Conference of June 6, 1950, in *New China's Economic Achievements, 1949-1952*, Peking, 1952, p. 6.

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carried off by the Soviets in 1945.[18] Industrial capacity was also shrinking in China proper—though to a much lesser extent—owing to depreciation and obsolescence and to the flight of some of the movable facilities to Hongkong and Taiwan. The situation was aggravated by a constant shortage of raw materials throughout 1949. This was particularly felt in Shanghai, where many industries depended upon imported materials now cut off by the Nationalist blockade of the port. At the same time, owing to the disruption of internal trade and transport, domestic supply difficulties were multiplied as well. Industrial output was further curtailed by a gradual demoralization of labor under the impact of hyperinflation and a breakdown of plant discipline following the Communist conquest of large cities. Urban labor tended to interpret the Communist victory as a signal for asserting its rights and placing its accumulated grievances and demands before industrial management. Several months elapsed before the new authorities were in a position fully to consolidate their control over the trade unions and disabuse them of their misconceptions.

All of these factors combined to reduce industrial production to 56 per cent of its pre-1949 peak.[19] According to the official index, the production of investment goods had dropped to 30 per cent of peak, while consumers' goods fell only to 70 per cent. The much sharper curtailment in the heavy industries was primarily a reflection of the marked contraction in Manchuria's manufacturing capacity.

On the whole, the rural sector of the economy was much less affected by the vicissitudes of the civil conflict. Actually, civil war brought to the countryside more disorganization and disruption than devastation. Owing to the great importance of the subsistence, non-monetized sector in the rural economy, agriculture could much more easily fall back on its own resources than industry. As a result, food production declined only about 20 to

[18] Edwin W. Pauley, *Report on Japanese Assets in Manchuria to the President of the United States*, July 1946, p. 37.

[19] This is based on the official index compiled by the Central Committee on Financial and Economic Affairs. See "Economic Development in Mainland China, 1949-1953," in *Economic Bulletin for Asia and the Far East*, published by the United Nations Economic Commission for Asia and the Far East, November 1953.

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25 per cent below the pre-1949 peak.[20] Unfavorable weather, particularly floods, rather than civil war, was the most important factor accounting for the drop. According to Chinese Communist sources, in 1949 mainland China had its worst flood since 1931; 120 million *mows* of land—constituting about 8 per cent of the total cultivated area—were affected.[21] Of course, it must be borne in mind that under more peaceful conditions the same weather would undoubtedly have created less havoc.

A. RECOVERY IN PRODUCTION

In this situation, the regime set itself the task of restoring industrial and farm production to pre-1949 peak levels by 1952. The extent to which this goal was attained may be gauged by the data in Table 3. This table shows that while recovery in industrial and agricultural production was quite rapid, the degree to which past production records have been surpassed is appreciably less than that commonly claimed by Chinese Communist officials. In reality, contrary to official claims, output of pig iron, coal, electric power, sugar, soybeans, and wheat actually lagged behind past peak levels.[22]

The decline in pig iron production reflects, primarily, changed market relationships. Under Japanese tutelage, at least half of Manchuria's pig iron production was exported to Japan. With changed trading conditions, this market was lost, so that current output is governed by rates of domestic steel production. On the other hand, reduction in electric power production may be due to the fact that power-generating capacity dismantled by the Soviets in Manchuria has not yet been fully restored. However, most of this curtailment in production was apparently borne by household consumption, so that industrial power consumption may actually be greater than before.[23]

The lag in coal recovery may be partly accounted for by a marked drop in output of the Kailan mine, the largest in China proper. This seems to be related to obsolescence and lack of re-

[20] See Li Shu-cheng, "New China's Achievements in Agricultural Production During the Past Three Years," in *New China's Economic Achievements, op.cit.*, p. 188.

[21] Chen Yun, "The Financial and Food Situation," in *ibid.*, pp. 53-54.

[22] For coal, official statements admit a shortfall.

[23] Power for household use is strictly rationed, particularly in Manchuria.

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TABLE 3

ESTIMATED PRODUCTION OF SELECTED COMMODITIES IN MAINLAND CHINA

Product	*Unit*	*Peak*	*1949*	*1950*	*1952*
Pig Iron	in 000 MT	2,000	210	827	1,589
Crude Steel	"	900	144	551	1,215
Rolled Steel	"	500	90	259	740
Coal	"	59,000	26,000	35,000	53,000
Crude Oil	"	330	125	207	389
Cement	"	2,140	663	1,412	2,311
Paper	"	120	108	101	264
Flour	"	2,450	1,911	1,200	3,087
Sugar	"	410	164	198	328
Cotton Yarn	in 000 bales	2,400	1,728	2,040	2,784
Cotton Cloth	in 000 bolts	41,000	29,930	3,230	56,580
Cigarettes	in 000,000 sticks	82,000	47,000	54,520	102,500
Electric Power	in 000,000 KWH	6,900	3,600	3,800	5,700
Rice	in 000 MT	48,600		46,900	55,890
Wheat	"	24,000		19,300	22,800
Soybeans	"	10,000		5,890	8,900
Cotton	"	1,115			1,290

Compiled by adjusting the indices in the following sources for mutual consistency and then applying them to the data in Table 1: *Communiqué on Rehabilitation and Development of National Economy, Culture and Education During 1952*, Peking, State Statistical Bureau, September 29, 1953; Chen Chien-ke, "China's Outstanding Financial and Economic Achievements," in *People's China*, October 16, 1951; Chen Yun, "Address to the Preparatory Conference of the All-China Federation of Industrial and Commercial Circles," June 24, 1952, in *New China's Economic Achievements, op.cit.*, p. 141; Chia To-fu, "The Advance of China's Industry," in *People's China*, June 1, 1953; Po I-po, "The 1953 State Budget of the People's Republic of China," Supplement to *People's China*, March 16, 1953; Li Fu-chun, "The Restoration and Development of Our Industries in the Past Three Years," October 2, 1952, in *New China's Economic Achievements, op.cit.*, p. 180; Li Fu-chun, "The Present Situation of China's Industries and the Direction of Our Future Work," October 31, 1951, in *ibid.*, p. 124; Ke Chia-lung, "China Builds a New Democracy," in *People's China*, December 16, 1951; Wu K'ang, "Consolidate the Victory, Continue to Advance," *Economic Weekly*, Shanghai, January 3, 1952, in K. C. Chao, ed., *Source Materials from Communist China*, II, Cambridge, Mass., April 1952, p. 14; Huang Yen-pei, "Progress in China's Light Industry," in *People's China*, December 16, 1952; Po I-po, "Three Years of Achievement of the People's Republic of China," in *New China's Economic Achievements, op. cit.*, p. 157.

placement of equipment. Strenuous efforts, thus far only partially successful, are being made to compensate for this loss through expansion of the Manchurian deposits. The need to restore and expand coal and power production was assigned a particularly high priority, since failure in these fields limits growth in the other industrial sectors.

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As against these shortfalls, substantial gains were made in steel, cotton cloth, paper, flour, and cigarette production. An expansion in steel production, despite Soviet removals of equipment in 1945, is not as surprising as it may seem at first. Even at its peak, the Japanese iron and steel industry in Manchuria operated at only about 60 per cent of capacity, so that in order to produce the 1952 output, capacity did not have to be fully restored. To maintain the plant that was left, and to replace as much of the dismantled equipment as was needed to produce the 1952 output, an estimated investment of about US $160 million (in terms of 1952 US investment costs) would have been required.[24] This is an amount which, allowing for competing investment requirements, was certainly within Communist China's capacity to invest and import.

Recognizing the crucial role of textiles as barter and incentive goods in the Chinese rural setting, the new regime has placed particular emphasis upon increasing raw cotton and cotton textile production. At the same time, this effort is also motivated by the Chinese Communist drive for self-sufficiency. In both of these respects, the Chinese Communists have had a fair measure of success; they expanded output and by 1953 reduced imports to negligible proportions. However, they have tended to exaggerate their achievements in this field more than in any other. For instance, by using a very low (860,000 MT) prewar peak figure, they can show that 1952 raw cotton production was about 50 per cent above prewar. However, in reality, 1936 output was substantially higher (1,100,000),[25] so that the increase is only 15

[24] The arithmetic behind this estimate is as follows:

Peak Manchurian finished steel capacity	910,000 MT
Finished steel capacity after dismantling	325,000 MT
Capacity which must be reinstalled to produce 1952 output	475,000 MT
Capital requirement per ton of finished steel	US $ 400
Total capital requirement for reinstallation of capacity	US $190,000,000
However, about half of this capital investment is for structures, which have been left more or less intact, so that one should only count equipment costs, which may be estimated as:	US $ 95,000,000
Add to this a replacement allowance of 10 per cent per year on old capital which was not removed. For two years:	US $ 65,000,000
Total cost of replacement and reinstallation:	US $160,000,000

[25] Shen, *op.cit.*, p. 308.

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per cent. Similarly, increases in cotton cloth production may be more apparent than real. Unlike cotton-spinning, weaving was still preponderantly a handicraft industry before the Sino-Japanese War. Thus the rapid growth in output may represent only a displacement of handicraft by factory cloth, rather than an expansion in total production. The same may be true for flour. While the pace of recovery has been quite rapid, it apparently lagged behind Chinese Communist expectations, as evidenced by the fact that 1952 industrial production targets were not met, with the exception of coal and flour. In this respect, as in so many others, the Chinese Communists seem to follow the Soviet and satellite statistical practice of camouflaging failures and exaggerating accomplishments.

Mainland China's economic recovery in all fields was greatly facilitated by a succession of three favorable harvests in 1950, 1951, and 1952. As a result, 1952 farm production seems to have attained, or possibly even exceeded, prewar record levels, despite land redistribution and the subsequent beginnings of the collectivization drive. Actually, it is impossible to ascertain the net effect of land reform upon output. There is no question that during the period of agitation, land redistribution, and transfer of title, there was a great deal of unrest in the areas affected which could not help but disrupt output that year. However, since the process was spread over a three-year period, the total impact upon the country's production as a whole was probably not too significant. This may have been the case despite the fact that land reform seriously disrupted the prevailing system of farm credit. Land redistribution may have had a positive incentive effect upon those farmers who received land; but this effect may be gradually dissipated as the collectivization campaign gathers steam. However, this would not yet have been a major factor during the 1949-1952 period. Thus, on balance, land reform may have had no pronounced impact upon agricultural production. The favorable crop conditions of 1950-1952 must be ascribed to good weather combined with an absence of civil conflict, improved transport and distribution, and efforts to rehabilitate and develop flood control and irrigation facilities.

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B. THE NATIONALIZATION OF THE ECONOMY

The Chinese Communist economic program has essentially two dimensions. On the one hand, it aims at rapid recovery and growth in production, most particularly industrial production. On the other, it is bent upon bringing an increasing share of this output under government control for political purposes as well as for planning and for specific investment and military use. These objectives require a restructuring of the institutional framework, a task in which nationalization, land, fiscal, monetary, and distribution policies have been blended into an instrument for resource mobilization and allocation.

The Chinese Communists inherited from the Nationalist government a sizable state enterprise sector which they have consistently enlarged, partly at the expense of the private sector. However, there has been little additional outright nationalization of private trade and industry thus far, although it has been explicitly foreshadowed since the end of October 1953. In this field, Chinese Communist tactics have consisted in a squeezing-out of private enterprise through tax pressures, credit rationing, capital levies, state competition, and union demands, rather than through outright expropriation. In effect, the regime has reduced the private capitalist to performing a bureaucrat's functions without yet assuming the full responsibilities of state ownership. Under the impact of these policies, the government increased its share in industrial production from 44 per cent to 67 per cent between 1949 and 1952.[26] It is officially reported that by October 1952 all the railways, 80 per cent of the heavy and 60 per cent of the light industries, and 60 per cent of the steamships plying in home waters were state-operated. At the same time, the government controlled over 90 per cent of all loans and deposits through the People's Bank, and state trading companies were responsible for about 90 per cent of foreign trade, for about half of wholesale trade, and for about 30 per cent of retail trade.[27] Actually, the area of effective government control was even greater than is

[26] Po I-po, "Three Years of Achievement of the People's Republic of China," in *New China's Economic Achievements, op.cit.*, p. 158.

[27] Hsueh Mu-chiao, "China's Great Victories on the Economic Front During the Past Three Years," in *ibid.*, p. 281.

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indicated by these figures. Through allocations of raw materials and credit, through introduction of "cash and currency control," and through monopoly of trade in key agricultural and industrial commodities, the authorities were in a position to manipulate most of the strategic levers in the economy.[28]

The same general pattern is evident in Chinese Communist land policy, which—through a series of intermediate stages—aims at gradual, step-by-step expropriation of the Chinese peasant's land. The first stage, land reform, was designed to harness land hunger and agrarian unrest into a politically potent weapon and to break the political and economic power of the landlord. While land distribution created a mass of "middle" and "poor" peasants, an effort was begun (but not yet completed by 1952) to supplant the traditional institutions with state-controlled organs: cooperative institutions for money-lending and marketing; mutual-aid teams and producers' cooperatives as the basic production unit; and Communist-dominated Peasant Associations as the center of local power.

In the strategy and tactics of Chinese Communism, land reform performed a triple function: it helped to pave the road to power; it helped to extend and consolidate that power at the village level; and it served to transfer the wealth-accumulating function from the landlord to the state. In effect, it provided a vehicle by which the land rent could be appropriated by the state for its own use. Inasmuch as land rent in China was mostly dissipated in consumption—conspicuous and otherwise—in hoarding, and after 1936 also in capital flight, expropriation of this rent furnished a means for raising the level of investment in the economy. In a sense, the outstanding achievement of the regime has been its ability to mobilize and to allocate a higher proportion of China's national income to investment and military purposes than has ever been done before.

C. THE QUEST FOR PRICE STABILITY

As the regime consolidated its control over the mainland, it felt ready to launch a comprehensive attack upon fiscal and

[28] The "cash and currency control plan" placed the People's Bank in the position of a central clearinghouse for all transactions and a repository of all capital, including current working capital, for the state enterprise system.

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financial instability. This attack was based upon the following elements:

(1) *Balancing the budget.* This involved an initial curtailment (in early 1950) of government expenditure and a reorganization of the tax system based on increased rates of urban taxation. At the same time, fiscal management was greatly centralized, with many local government functions transferred to the central government. After the outbreak of the Korean War, government outlays began to increase once more, but most of this rise was covered by regular income or extraordinary levies and campaigns. The latter served as a means both of raising revenue and of mopping up liquid purchasing power.

(2) *Restoring confidence in the monetary medium.* In the face of continuing monetary devaluation, the regime decided to guarantee the purchasing power of certain types of transactions. Accordingly, wage and salary payments, bank deposits, some government expenditures, and bond issues were expressed in commodity basket values, termed wage, parity deposit, and victory bond units respectively.[29] This was designed to discourage the flight from money into goods, and foster the accumulation of savings and bank deposits.

(3) *Controlling money and credit.* In accord with the series of stabilization moves of January to April 1950, the People's Bank began to pursue a tight, deflationary credit policy. In combination with other anti-inflationary devices, the Bank finally succeeded in curbing speculation and black market credit, and in controlling the interest rate. Thus monthly interest rates for loans to Shanghai traders rose from 24-30 per cent in June 1949 to a peak of 70-80 per cent in December, and then declined continuously to 18 per cent in April 1950 and to 3 per cent a year later.[30]

[29] The victory bond units, known as *fen*, are composed of 6 catties of rice (millet in Tientsin), 1.5 catties of flour, 4 feet of white shirting, and 16 catties of coal. The *fen* is quoted nationally every ten days, with the value based on the wholesale prices of these items in Shanghai, Tientsin, Hankow, Sian, Canton, and Chungking; in computing the *fen*, the commodity basket values in these cities are given the following weights: Shanghai—45; Tientsin—20; Hankow, Canton, and Chungking—10 each; Sian—5.

Unlike the *fen*, parity deposit and wage units are separately quoted for all large cities. The exact composition of these varies from city to city, but they all include some grain, staple, cloth, vegetable oil, and coal.

[30] Chung Kan-en, "The Success of the State Bank's Policy on Interest Rate," *Economic*

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(4) *Reactivation of exchange and distribution.* The success of the whole stabilization experiment depended upon the government's ability to guarantee the supply of consumers' necessities and the faith of the public in such a guarantee. This was clearly recognized by the Chinese Communists, as illustrated by the following statement of a Bank of China manager:

> The reserve for the issuance of JMP is not gold, but the supplies under the control of the government in the liberated areas. . . . The reserve is not kept in the vaults of the bank but is being continuously dumped on the market through the government-run trading companies. The duty of these companies is to stabilize the commodity prices, prevent sudden rises or declines, regulate supply and demand, and prevent speculative activities.[31]

However, the state trading mechanism could perform the function assigned to it only if the volume of goods entering distributive channels could be greatly expanded. In turn, this required not only a recovery in agricultural and industrial production, but also restoration of the badly disrupted transport network. For this reason, rehabilitation and expansion of transport was one of the regime's high priority targets. Thus a high proportion of government investment in 1950 and 1951 was devoted to railroad reconstruction. As a result, while in October 1949 less than half of China's total railway trackage was in operation, all lines were restored by mid-1951 and the intensity of their use was greatly stepped up. At the same time, new railroad construction was vigorously pushed; for instance, the 320-mile-long Chungking-Chengtu railway—the roadbed for which was prepared by the Nationalist government before the war—was completed in 1952, thus bringing the Szechwan rice basin into closer proximity to East and North China.

During this whole recovery period (1949-1952), the regime placed great reliance upon indirect controls and market forces as instruments for stabilization, resource mobilization, and resource allocation. Chinese Communist policy-makers seem to have realized from the very outset that outright price-fixing would not be practicable under mainland conditions. Direct price control

Weekly, Shanghai, July 3, 1952, as summarized in Chao, ed., *Source Materials from Communist China*, III, October 1952, p. 62.

[31] *Ta Kung Pao*, Shanghai, June 10, 1949.

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would have placed tremendous administrative burdens upon the bureaucratic apparatus, and even then it would have been very difficult to enforce. As a matter of fact, this type of price control had been unsuccessfully attempted by the Nationalist government on several occasions in the 1945-1949 period. As a result, the device as such was in disrepute and an attempt to introduce it might have been viewed by the population as a repetition of the past—an impression the Chinese Communists tried assiduously to avoid. Indirect price control, on the other hand, based upon state trading as a manipulative device in combination with monetary and fiscal tools, was likely to prove more flexible and better suited to China's present stage of economic and bureaucratic development.

On the whole, these policies proved to be rather effective in arresting inflation and in gradually instituting price stability. The inflationary spiral was broken in March 1950; however, under the impact of the rather drastic deflationary policies, a temporary crisis ensued. This unforeseen depression was marked by bank failures, business bankruptcies, accumulation of unsold inventories in the cities, and large-scale urban unemployment. This trend was reversed with the outbreak of the Korean War, after which wholesale prices rose very rapidly once more, so that by the end of 1950 they approached the March peak. Thus 1950 was a year of violent price fluctuations, during which the regime had only partial control over price formation. This was much less true in 1951, as illustrated by the fact that the average price level rose only by about 20 per cent. However, prices of producers' goods increased much more rapidly under the competing pressures of Korean War requirements and of domestic reconstruction.

By 1952, with virtual price stability attained, open inflation was beginning to be replaced by suppressed inflation—a characteristic of virtually all full-employment economies operating within a framework of economic controls. In China, as elsewhere, comparatively high rates of investment and military expenditure have become a constant source of imbalance between the stream of consumers' income and the supply of consumers' goods. Therefore, occasional bond campaigns or other extraordinary levies

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have been launched, as in the Soviet Union and the satellites, to mop up liquid purchasing power. Similarly, the regime was forced to introduce rationing for the first time late in 1953, not merely because of an indifferent harvest but because of the pressure of effective money demand.

D. MOBILIZATION AND ALLOCATION OF RESOURCES

Economic controls developed in Communist China during the 1949-1952 period have not only been used to attain fiscal and financial stability but also to step up the rate of resource mobilization. At the same time that state participation in industry and trade was growing, the nature and scope of the government budget was changing. This budget gradually evolved from a traditional instrument for financing standard government operations into an economic budget of the Soviet type, controlling the contours of the whole economy. In this context, one of the functions of government fiscal operations is to keep consumption in check, both through high taxation and by the maintenance of wide state enterprise profit margins.[32] Price and distribution policy, in particular, serves as a means for raising the level and rate of forced saving. As the volume of domestic trade expands, state revenues are automatically augmented through commodity taxation levied at the wholesale stage. At the same time, state trading companies are encouraged to use their market power to buy "cheap" and sell "dear." Thus, the state appropriates resources through trade in two ways, through the pricing process and through the taxing mechanism.

The growing importance of the budget is clearly illustrated by the data in Table 4. It may also be gauged by an increase in the share of the budget in gross national expenditure from about 15 per cent in 1950 to roughly 27 per cent in 1952.

The annual budget figures given in Table 4 are not comparable from year to year, since they reflect a continuing extension in the scope of government fiscal operations. On the one hand, the government sector has been growing at the expense of the private sector, so that more and more new enterprises and

[32] For an analysis of the Soviet case, see F. D. Holzman, "The Burden of Soviet Taxation," *American Economic Review*, XLIII (September 1953), pp. 548-71.

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TABLE 4

CHINESE COMMUNIST GOVERNMENT BUDGETS, 1950-1952

(in trillion JMP)

	1950		1951	1952	
	Budget	*Actual*	*Actual*	*Budget*	*Actual*
Expenditures:					
Military	23.2	28.3	50.6	44.4	42.8
Government admin.	12.8	13.1	17.5	22.7	19.3
Economic construction	14.3	17.4	35.1	58.6	73.1
Cultural construction	2.4	7.6	13.4	20.2	22.3
Other	1.4	1.8	2.4	6.8	5.7
Total	54.1	68.2	119.0	152.7	163.2
Revenues:					
Agricultural tax	20.1	19.1	21.7	n.a.	25.6
Industrial and commercial taxes	18.9	29.9	58.5	n.a.	69.0
Other taxes	–	–	1.0	–	1.6
Total taxes	39.0	49.0	81.2	91.7	96.2
Revenue from govt. enterprises	8.3	8.7	30.5	37.0	46.6
Income from credit and insurance	–	3.3	5.7	4.4	2.5
Total	47.3	61.0	117.4	133.1	145.3
Deficit	6.8	7.2	1.6	19.6	17.9
Proceeds of deficit financing[a]	12.4	8.5	23.3	2.6	20.9
Carry-over	–	–	1.3	23.0	23.0
"Surplus"	5.6	1.3	23.0	6.0	26.0

[a] Listed in Chinese Communist sources as "other" revenue.

SOURCE: The data in this table are based on Po I-po's "Report on the 1953 State Budget of the People's Republic of China," *op.cit.*

functions are brought within the purview of the government budget. On the other hand, the central government has been adopting more and more of the local government functions every year.

Keeping these qualifications in mind, it is evident from these data that government expenditures rose very rapidly between 1950 and 1952, and particularly between 1950 and 1951.[33] Mili-

[33] It must also be borne in mind that part of this increase is due to price rises. The rise in the wholesale price level may be crudely estimated at about 20 per cent between 1950 and 1951, and 30 per cent between 1950 and 1952.

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tary expenditures were almost doubled during 1951, in response to increasing Korean War requirements. As the Korean fighting subsided in 1952, growing emphasis was being placed upon modernization of the army, weapons development, and military investment, all of which are probably handled by the Second Ministry of Machine Building. As such, they are in all likelihood entered into the economic construction budgets. For instance, both the 1952 and 1953 investment budgets had an "other" item, which in Soviet budget practice is a cover for hidden military outlays.

The Korean War undoubtedly imposed a serious drain upon the Chinese mainland economy, even though much of the military hardware was provided by the Soviet Union on lend-lease terms. The war, particularly in its more active fighting stage, diverted scarce industrial and transport resources from "economic construction," i.e., from investment. This is illustrated by the fact that between 1951 (the year of the most violent military engagement) and 1952, the proportion of total government expenditure channeled into investment rose from about 30 per cent to 45 per cent, while the actual amount was doubled.

Owing to this resource drain, amidst greatly curtailed production, investment may have constituted only about 4 per cent of gross national product in 1950; by 1952 this proportion rose to approximately 12 per cent. While the exact allocation of these investment resources was officially published only for 1953, there is no question but that from the outset industry and transport were accorded the highest priority. Agriculture, on the other hand, was kept on a short investment ration, with major reliance placed on mass applications of seasonally underemployed labor in water conservation.

Chinese Communist budgets differ radically in their scope and character from the budgets of the Nationalist government, to such an extent that they are not comparable. First of all, they are based on a much more tightly knit and centralized system of fiscal management, in which the scope of local government functions is minimized and local government finance is closely integrated with central government fiscal operations. As a matter of

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fact, in this system, fiscal management provides one of the principal tools for developing a more highly centralized administrative apparatus through which the tentacles of government control reach down to the local levels. Secondly, Chinese Communist budgets include Manchuria, which was excluded from Nationalist government accounts after 1931. Finally, current budgets reflect a much greater government participation in the economy.

One of the salient features of the 1950-1952 budgets are the relatively small deficits;[34] apparently they did not exceed 11 per cent of total expenditure during any one year. This is a reflection of the new regime's much greater fiscal capacity, owing to its larger and more effective arsenal of control and pressure mechanisms. Actually, contrary to earlier Chinese Communist statements, Po I-po's report, on which Table 4 is based, indicates that there have never been any deficits at all, but only surpluses. This extraordinary feat has apparently been accomplished through accounting manipulations. For instance, in Chinese Communist budget practice, proceeds from deficit financing such as bond and note issues, bank overdrafts, and special levies are treated as "other" revenue. Special campaigns were launched every year. In 1950 there was a bond campaign; in 1951 the drive on "counter-revolutionaries" netted important sums by way of confiscation; there was the "donations" drive for guns and planes for Korea that netted about 5 trillion JMP; and in 1952 the "Five-Anti's" Movement (the campaign against "tax evasion, theft of state property, cheating on government contracts, bribery, and stealing of economic information for private speculation") netted a much larger, but unknown, sum. This, of course, would still leave the 1951 and 1952 surpluses unexplained, since it is rather puzzling why there should be such levies if the sums collected were not to be spent. Initially, these so-called "surpluses" may have been unintended, to the extent that they reflected higher proceeds from capital and other levies than were anticipated. Since 1952, however, they seem to be actually budgeted in advance and are serving the function of revolving capital and operating reserve

[34] Following Western fiscal practice, we treated all expenditures not covered by regular revenues as deficits which had to be covered by extra-budgetary levies, bond issues, or bank overdrafts.

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funds for the government apparatus and the state enterprise system.[35]

While government expenditures were rapidly rising between 1950 and 1952, the revenue base was constantly widened. In 1949, the agricultural tax in kind provided the principal source of revenue, but in 1950 it was gradually displaced by industrial and commercial taxes, which grew in importance thereafter. However, it is important to note that by pricing tax grain, throughout, at its 1950 price, which was below the market price, income from agricultural taxation is grossly understated in the budget.

In general terms, taxation in the rural sector is direct, while in the urban sector indirect sales taxes and taxes of the turnover type predominate. Indirect taxes and customs duties have traditionally provided the principal sources of revenue in China. While customs duties are of only minor importance in Communist China, indirect taxes have been constantly gaining, with a gradual approach to the Soviet system of turnover taxation. At the same time, profits of state enterprises have constituted a major and growing source of revenue since 1951. This, in turn, is a reflection of the expanding scope of the state enterprise system and its growing monopolistic and monopsonistic powers.

As the scope of the government budget and the area of economic controls spread, the regime increased its capacity to allocate resources and plan their use. During the 1949-1952 period, the Chinese Communist economy operated within a framework of certain general objectives and partial, rather than comprehensive and integrated, economic plans. These partial plans were mostly confined to individual industries, without a serious effort to interrelate them. On the other hand, in Manchuria, where the regime had been longer in power and where a great deal of experience had been accumulated under the Japanese, planning was in a much more advanced stage. As a matter of fact, this region served as something of a planning laboratory and training ground for the mainland as a whole. It was not surprising therefore that Kao Kang (chairman of the regional government in the northeast) was made chairman of the State Planning Commission formed in late 1952 to prepare the Five-Year Plan.

[35] I am indebted to Dr. Joseph Froomkin for calling this to my attention.

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Generally, the pattern of economic planning in Communist China appears to be broadly analogous to the postwar experience of the Eastern European satellites. In all of these countries, the cessation of hostilities was followed by a somewhat varying period of two to three years during which there was no over-all economic plan. Subsequently, recovery plans, usually of two to three years' duration, were supposed to lay the groundwork for the Five-Year Plans inaugurated in 1949 or 1950.

This timetable of planning was closely tied in with the political situation in the satellite countries. As a rule, the pre-plan period was one of coalition governments, with the Communist Party frequently playing a minority role. The situation began to change rapidly during the recovery plan period, with the Communist parties increasingly asserting their power and gradually pushing out their coalition partners, so that by the time Five-Year Plans were inaugurated, all seats of power were monopolized by the Communist Party. This general pattern was also reflected in the character of economic policy. The early period was characterized by a relative absence of direct controls and considerable reliance upon market forces for resource allocation. Concurrently, a rather moderate land policy was pursued. Land reform was the postwar order of the day in all satellites. Upon monopolization of power by the Communist parties, a program of gradual collectivization was launched. It was quite clear from the outset that in this field the satellites would follow the Soviet model without employing the drastic Soviet collectivization methods.

This general pattern seems to be repeating itself in Communist China. Owing to the absence of any clearly crystallized and strong non-Communist political parties at the time of takeover, coalition in China was primarily a façade, designed to gain non-Communist support for the regime. Therefore, satellite stages one and two could be merged, combining the pre-plan and recovery-plan phases into one, with an attempt to go from there directly to long-range development planning of the Five-Year type. Interestingly enough, Yugoslavia was the only East European country which also combined these stages and for the same general reasons.

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During this period, credit and price policy served as the principal instruments of planning. Through discriminatory pricing, favorable or unfavorable rates of interest, and credit terms, resources were diverted from industries that had been accorded a low priority to lines of production which the state wished to encourage. Cotton provides a good case in point. In order to encourage an extension in cotton acreage, Chinese Communist planners increased the cotton-grain exchange ratio as shown in Table 5.

TABLE 5

RATIO OF EXCHANGE FOR 0.5 KG OF 7/8" COTTON LINT

	1950	*1951*	*1952*
	(in kilograms)		
North China millet	4.0	4.5	4.5
Northwest China wheat	3.5	4.0	4.75
Central South China wheat	3.25	4.0	4.25

SOURCE: "Economic Development in Mainland China, 1949-1953," in United Nations, *Economic Bulletin for Asia and the Far East*, IV, No. 3 (November 1953), p. 22.

D. CHANGES IN FOREIGN ECONOMIC RELATIONS

China traditionally maintained very close economic relations with Britain, the United States, Germany, and Japan. Trade with these countries was based on an exchange of coarse grains, foodstuffs, raw materials of agricultural origin, and minerals, for wheat flour, rice, sugar, tobacco, raw cotton, textiles, other manufactured consumers' goods, mineral oils, chemicals, and capital goods. In contrast, China's contact with Russia and Eastern Europe was of negligible importance.

This pattern has been radically altered since the Chinese Communist capture of the mainland. Western enterprise and economic influences have been gradually pushed out, while intimate ties have been established with the Soviet Union and the Soviet bloc as a whole. On the one hand, this process has been accelerated by free-world trade controls, which compelled mainland China to divert an increasing share of its trade to the Soviet bloc. On the other hand, it may be assumed that, given the "lean-to-one-side" policy, China's trade with the Soviet bloc would have expanded in any case, even in the absence of Western trade restrictions, but probably not by as much. This is partly sup-

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ported by the fact that the impact of trade controls apparently began to be fully felt only in the second half of 1951; while free-world exports to China were at US $314 million in the first half of 1951, they dropped to about $130 million in the second half. The nature of this "push" and "pull" in China's trade orientation is illustrated by the data in Table 6.

TABLE 6

MAINLAND CHINA'S FOREIGN TRADE, 1950-1952

Year	*Trade with the Free World* (in million dollars)			*As Per Cent of Total Mainland Trade* (in per cent)	*Estimated Total Mainland Total* (in million dollars)	*Estimated Soviet Bloc Trade* (in million dollars)		
	Exports	Imports	Total			USSR	Eastern Europe	Total
1950	476	409	885	74	1,200	285	30	315
1951	433	440	873	39	2,240	n.a.	n.a.	1,367
1952	345	257	602	28	2,150	1,148	400	1,548

SOURCES: United Nations, *World Economic Report, 1951-1952*, p. 130; U.S. Foreign Operations Administration, *World-wide Enforcement of Strategic Trade Controls*, Mutual Defense Assistance Control, October 3rd Report to Congress, November 1953; Yeh Chi-chuang, "Three Years of China's Foreign Trade," in *New China's Economic Achievements, op.cit.*, pp. 237-44; Pei Hsiang-yin, "Sino-Soviet Trade," *People's China*, June 16, 1953.

Several facts emerge from an examination of this table. Foreign trade recovered very rapidly from its abnormally low 1950 level, so that by 1951 it had more or less attained its prewar peak. Practically all of this expansion was confined to the Soviet bloc, more specifically to the Soviet Union, since trade with Eastern Europe was still very small at that time. In 1952, China's trade with the Soviet bloc increased even further, however; this time most of the expansion was with Eastern Europe rather than with the Soviet Union itself, while total trade actually declined somewhat. It is interesting to note that in her trade with the free world, mainland China maintained an export surplus; this may have been more than counterbalanced by an import surplus with the Soviet bloc, financed out of the net earnings in trade with the West and the Soviet loan of US $60 million per annum.

Close economic relations with the Soviet Union involve not only intimate trade ties but also joint stock companies, credits, and technical assistance. Three Sino-Soviet companies were organized: for civil aviation, and for the exploitation of oil and of

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non-ferrous mineral resources in Sinkiang. Given their location and scale, these companies do not provide leverage over the economy as a whole equivalent to that exercised by joint companies in Eastern Europe. The character of technical assistance also differs greatly from the role of Soviet advisers in Eastern Europe. All of the available evidence tends to indicate that these advisers do not perform management or control functions in the Chinese setting.[36] However, their influence has been growing, as Chinese Communist planners have begun to run into serious organizational, managerial, planning, and technical bottlenecks. For instance, economic policies of the Soviet type gained in importance during 1952 and 1953, particularly in the fields of fiscal and monetary management. Apart from technical advice, Soviet material assistance during this period—exclusive of shipments of war material to Korea—was on a very modest scale, i.e., at a rate of about US $60 million per annum. Actually, it may have been less, since it is more than probable that the ruble costs of technical assistance were charged against the annual proceeds of this loan. On the other hand, by combining the proceeds of the Soviet loan with the net foreign exchange earned in her trade with the West, Communist China could maintain an import surplus with the Soviet Union of about US $100-150 million. Since the bulk of Soviet bloc imports, possibly about 75 per cent,[37] consists of capital goods, the Soviet Union in effect helps China to maximize the import of those goods which come within the purview of Western trade controls. Within this context Soviet credits, even though small, have played an important role in the rehabilitation of transport and of Manchurian industry. In effect, the Soviet credit has made it possible to replace some of the equipment dismantled and removed by Moscow in 1945.

The radical shift in mainland China's economic orientation was necessarily accompanied by marked shifts in the commodity composition of foreign trade, particularly in respect to imports. Thus, in line with the economic objectives of the new regime, imports of consumers' goods were drastically curtailed, while

[36] This was not true prior to 1953, when the Manchurian transport system was under joint Sino-Soviet management.

[37] Based on an article in *People's China* of September 1, 1953, by Hsu Hsueh-han. This figure may include, however, substantial military equipment paid for by Peking.

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capital goods imports were significantly stepped up. More specifically, imports of food and textiles were largely displaced by machinery and metals, mineral oils, chemicals, and industrial raw materials, particularly rubber and raw cotton. The latter constituted close to one-fifth of total import value in 1950. As domestic raw cotton production increased, however, imports declined, so that by 1953 the country was self-sufficient in this commodity.

These shifts in the character of import demand have far-reaching implications for the direction of trade as well. Thus, Japan's prewar trading position in China was to a large extent based upon exports of cotton textiles, so that the disappearance of this market inevitably narrows the potential scope of exchange between the two countries. Communist China would, of course, be interested in replacing these textiles with imports of capital goods. Japan, however, faces a much more acute marketing problem for textiles than for machinery or industrial equipment; and like the United Kingdom, Japan may require a structural shift from textile to engineering exports in order to meet the changing pattern of world demand.

Changes in the structure of exports have been much less marked. Mainland China has continued to base her export trade upon foodstuffs, raw materials of agricultural origin, and mineral products. Most important among these are soybeans, plus other vegetable oils and products, tung oil, hog bristles, and grains. Grains seem to have grown in importance as compared with the prewar period. Mainland China has become a net exporter in recent years; e.g., there have been shipments of 66,000 tons of rice and 450,000 tons of kaoliang to India in 1951, as well as substantial amounts of wheat to the Soviet Far East. These net exports are not as surprising as they might appear at first sight. Known net shipments constituted only about 1 per cent of total mainland grain production and not more than 2 per cent of grain entering market channels. Similarly, prewar net imports were a very small proportion of production and marketings: they were primarily a function of high costs of inland transportation and inefficient domestic distribution. Thus the margin between net grain imports and exports is quite narrow, and therefore depends

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upon the quality of the harvest in any one year and the efficiency of distribution.[38]

In a static sense, exports are of comparatively small importance for mainland China's economy. For instance, in 1952 they constituted only about 3 per cent of gross national product. But, in dynamic terms, they are very strategic, as illustrated by the fact that the foreign trade component in capital formation was close to 20 per cent in 1952. Viewed in these terms, given its industrialization objective and its limited current capabilities for manufacturing complex capital goods, one of the regime's principal tasks is to find ways and means of translating internal savings (largely in the form of agricultural output) into expanding capital goods imports. The pace of industrialization and the rate of economic growth will in large measure depend upon the extent to which this transformation can be effected.

The conditions and terms on which mainland exports can be transformed into capital goods imports will, however, depend not only upon the extent to which the regime can mobilize agricultural surpluses, but also upon the terms of trade between China and the Soviet bloc. While there is no quantitative information concerning these terms, some of the factors that inevitably affect Sino-Soviet trade relations are quite clear.

In an absolute sense, there is a definite basis for trade between China and the bloc. For most of the commodities exported by China, there is an import demand in the Soviet Union and the bloc as a whole. This is definitely the case with soybeans, oilseeds and its products, tea, tungsten, tin, and antimony, which have been traditional import products for the Soviet Union. Also, under the impact of the post-Stalin policies, Soviet import demand for livestock products has risen considerably—a development that broadens the scope of Sino-Soviet trade. At the same time, the Soviet Union and the satellites undoubtedly have the capacity to provide China with capital goods and industrial raw materials up to the level that she can afford within the limits of her export proceeds and credits. In this connection, it may be worth noting that USSR industrial exports to China may have amounted to 1-2 per cent of Soviet industrial output in 1952.

[38] This observation applies, of course, only to small net imports or exports.

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The relative position, however, is quite different. China's demand for Soviet imports is likely to be much more inelastic than the Soviet demand for Chinese products. On the one hand, China's imports are very strategic from the standpoint of its industrialization program, while Soviet imports of Chinese products are more or less peripheral for the economy of the USSR. On the other hand, owing to free-world trade controls, China is completely dependent upon the Soviet bloc for its imports of capital goods and certain industrial raw materials, while the Soviet Union can obtain livestock products, tea, oilseeds, etc., from other countries in exchange for gold or those raw materials that are in surplus in the Soviet Union; that is, she can obtain these products without exporting capital goods at the expense of Soviet bloc development. For all of these reasons, in the Sino-Soviet bilateral trade relationship, the Soviet Union is bound to enjoy superior bargaining powers, at least in economic terms. This may, of course, be altered in either direction on the basis of purely political considerations.

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THE METAMORPHOSIS OF THE STALIN MYTH*

BY ROBERT C. TUCKER

THE death of Joseph Stalin marked the beginning of a new period in the history of the Soviet regime in Russia. It set in motion a train of events in the internal political life of the country which, for better or for worse, will alter the political personality of the Soviet regime as the world came to know it under the influence of Stalin's dominating figure. No one can yet predict with any confidence how this sequence of events will unfold in the years to come. The most that can be done at this early stage is to visualize the forces at work behind the scenes and strive to reach an informed preliminary guess about the direction or directions in which these forces are moving.

That is the task of the present article. It seeks to investigate certain aspects of the post-Stalin train of events which are now themselves a part of history. Its purpose is to cast light upon some of the principal trends and issues in the internal political life of Soviet Russia since Stalin died. These trends and issues are for the most part hidden beneath the surface of Soviet public life; only occasionally, as in the Beria episode, have they erupted into full view of a perplexed and fascinated world. It is necessary, therefore, to study the submerged political realities through their indirect reflection in the public pronouncements of the controlled and official Soviet press. The central importance of the new regime's attitude toward Stalin and the Stalin heritage directs attention upon the changing manner in which the official propaganda has presented the image of Stalin to the Soviet people. We shall first tell the factual story of this process, tracing the steps by which Stalin's heirs successively dethroned him, partially restored him, and finally refashioned an entirely new Stalin image to fit their present needs. The latter part of the article attempts to interpret the political meaning of the new Stalin

* I wish to record my appreciation for the many helpful comments which I received from my colleagues in the Social Science Division of the RAND Corporation.

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myth and of another new phenomenon closely associated with it, the "cult of the Party."

I. The Anti-Stalin Reaction

The restrained eulogies of Stalin which were issued in Moscow on the first anniversary of his death appeared against the background of a year during which the official attitude was obscure at many points. Of all the developments in the internal life of Russia during the early months of the year, from late March until late June of 1953, none came with such an impact on Russian minds as the swift and apparently well-planned sequence of moves from on high to dethrone Stalin in the memory of the Soviet people. Reviewing this sequence, the London *Economist* was moved to declare, in early May of 1953, that ". . . within two months of his [Stalin's] departure his apparently worshipping pupils and successors have proved themselves to be determined and effective iconoclasts."[1]

The name of Stalin, previously omnipresent in all Soviet propaganda writings, suddenly became rather sensationally conspicuous by its virtual absence in articles printed in the Moscow press toward the end of March and in April, 1953. The newspaper writers and propagandists seemed to be operating under a directive which forbade the mention of Stalin's name more than once, or at the most twice, in any one article, no matter what its size. The "Stalin Constitution" became the "Constitution of the U.S.S.R."; the "Stalin Five-Year Plan" became the "Five-Year Plan"; and the "Stalin Plan for the Transformation of Nature" was no longer heard of. The awarding of "Stalin Prizes" to Soviet authors, artists, and scientists, an annual spring event in the Soviet Union, did not take place in the spring of 1953, although preparations for it had reportedly been under way as usual in the weeks before Stalin's death. Newsreels of Stalin's well-photographed funeral were never shown in the moving-picture theaters of the Soviet Union, although Soviet audiences were treated to newsreel sequences showing such events as the new American ambassador's presentation of credentials in the Kremlin not long

[1] *The Economist* (May 9, 1953), p. 370.

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after Stalin died. Stalin's portrait did not appear in the May Day editions of Soviet newspapers in 1953, thus breaking a precedent going back for many years. These and other similar signs lent considerable cogency to the choice of the word "iconoclasts" by *The Economist* in the passage quoted above.

The new propaganda of "collectivity" in methods of leadership left little doubt in any alert reader's mind as to who was being censured when it stressed the dangerous harm that could result from "one-man decisions," and when it condemned what was called—in an unprecedented phrase—the "cult of individuality." In one particularly interesting instance, the author of an article in *Pravda*[2] quoted Stalin himself in support of "collective methods," but he very carefully cited the precise year (1931) in which Stalin had made the statement, as though to emphasize that the Stalin of later years had deviated from the principles of government enunciated by the earlier Stalin. This was coupled with the dark suggestion that "collective methods" were designed to counteract a situation in which "individual leaders start to act as though they were the only ones who could say anything sound and sensible and it falls to the lot of the others simply to support their opinions."[3] The reader was left in doubt as to which particular one-man decisions resulting from this situation had been harmful, but he could scarcely be in any doubt as to the identity of the "one man." For all its inferential character, the criticism cut deep.

In an address of April 16, 1953, to the American Society of Newspaper Editors, President Eisenhower stated that "an era ended with the death of Joseph Stalin," and appealed to the new rulers of Russia to dissociate themselves from the postwar foreign policies of the Stalin government. The Soviet authorities caused a complete and painstakingly accurate translation of the President's "heretical" speech to be published in the main Soviet newspapers. We may be sure that this was not done for the benefit of the Voice of America but for specific reasons connected with the interests of the Soviet leaders as they saw them at that time. It is further noteworthy that in their full-page editorial rejoinder to the President, they did not indignantly deny his statement that

[2] *Pravda*, April 16, 1953. [3] *Ibid.*

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an era had ended with Stalin's death. With pointed casualness they dismissed it as "rather strange," and went on to support, not Stalin's leadership, but the anonymous foreign policy of the Soviet regime.[4] Again, when the Soviet press printed extracts from Prime Minister Churchill's speech of May 11, 1953, in the House of Commons, it chose to include the Prime Minister's reference to "any spontaneous and healthy evolution which may take place inside Russia."[5] The clear implication of this to the mind of the Soviet readers was that if any "spontaneous and healthy evolution" was afoot in their country, it must be bound up somehow with the passing of Stalin.

On the ideological front, there was a period of about two months, between late April and late June of 1953, when the status of Stalin's last "great work of genius" (*Economic Problems of Socialism in the U.S.S.R.*, published on the eve of the Nineteenth Party Congress in October 1952) became highly obscure, to say the least. Although this work had been the focus of all Party indoctrination in Stalin's last months and immediately following his death, in mid-April it was stricken from the list of materials recommended for study in the vast network of "study circles," "political schools," and "evening universities of Marxism-Leninism" which is known as the Party educational system. One aspect of the work even came under indirect but unmistakable attack when an article in *Pravda*[6] castigated "certain propagandists" for promoting the idea which Stalin had presented in *Economic Problems* about the pattern of future development of the Soviet countryside (the transition from conventional trade to a system of "product-exchange" between the state and the collective farms, which was to obliterate the surviving distinction between state-farm and collective-farm property). Few in Russia needed any prompting to know who was the real object of this criticism of "certain propagandists."

II. The Partial Restoration

Beginning at the end of June, the pendulum swung back perceptibly. However, it stopped very far short of the point at which the initial downswing had begun. Although the rule against

[4] *Pravda*, April 25, 1953. [5] *Pravda*, May 14, 1953. [6] *Pravda*, May 29, 1953.

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lavish mention of Stalin and constant quotation of him remained in full force, the infrequent mention of his name began to be accompanied by the phrase "great continuer of Lenin's cause." Once again the Party cadres were urged in the press to devote themselves to close study of Stalin's works, "in which Marxist-Leninist teaching received further creative development." *Economic Problems of Socialism in the U.S.S.R.* was again acclaimed as "an outstanding contribution to the treasure-trove of Marxism-Leninism" and was restored to a high position on the list of materials recommended for study in the Party educational system. There were no more press criticisms of the agrarian policy evolved in the pamphlet, although it should be pointed out that the Malenkov-Khrushchev economic program based on an expansion of conventional trade in the countryside constituted an implicit criticism of Stalin's "product-exchange" utopia. This contradiction was "dialectically" rationalized in an article which appeared in a July 1953 issue of the Party's theoretical journal, *Kommunist*. Fully and explicitly endorsing the Stalin postulate on "product-exchange" as the ultimate goal of Soviet agrarian policy, the author of this article, A. Vishnyakov, postpones indefinitely the actual transition to this goal, which is, he says, "a long-range proposition." Thus, the "product-exchange" utopia is accepted in theory but rejected in immediate practice; the issue is reduced to one of timing. As though sensing that this provides only a stopgap solution of the dilemma, Vishnyakov ends the discussion on an inconclusive note. "This question," he declares, "requires further study and elaboration."[7] His article, however, makes perfectly clear the desire of the present Soviet regime to fit its current agricultural policy into the framework of Stalinist orthodoxy.

How limited was the upswing of the Stalin pendulum can be seen from a major ideological document issued in Moscow in late July on the occasion of the fiftieth anniversary of the birth of Bolshevism. This document, which was put out under the authoritative imprint of the Central Committee's Department

[7] A. Vishnyakov, "K voprosu o dialektike razvitiia sotsialisticheskogo obshchestva" ("On the Question of the Dialectic of the Development of the Socialist Society"), *Kommunist*, No. 10 (July 1953), p. 34.

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of Propaganda and Agitation and the Marx-Engels-Lenin-Stalin (formerly Marx-Engels-Lenin) Institute, was a first attempt to reconstruct the history of Bolshevism, and particularly its early history, from a post-Stalin point of view. Here Stalin is restored to his customary position as "disciple and continuer of Lenin's cause, the great Stalin." However, it is now the discipleship rather than the greatness upon which the emphasis falls. Lenin, on the other hand, is portrayed as the singlehanded founder and forger of the Bolshevik Party, and the "genius of the revolution." The authors of the document ignore, although they do not openly criticize, the orgy of falsification of the early history of Bolshevism generated by Stalin's latter-day desire to see himself depicted as having played in it a part commensurate with Lenin's. Not that the full truth is restored, for the authors, while cutting the prerevolutionary career of Stalin down to life-size, do not touch that part of the falsification which consists in deleting or reinterpreting the role of Trotsky and of members of the Bolshevik Old Guard. The main point is that Stalin no longer appears as Lenin's equal, no longer is presented as the co-founder and co-inspirer of Bolshevism. The document ends by restating quite firmly and by elaborating the new tenet on the harmfulness of the "cult of individuality."

It is necessary to point out here that the campaign against the "cult of individuality" has both a negative and a positive side to it. On the negative side it represents, as we have seen, an implicit, "double-talk" criticism of Stalin's autocratic ways. Certainly it was this negative or censorious aspect of the matter which was uppermost in the early phase of the campaign. However, in the later development of the "no cult" theme, the point about the harmfulness of one-man decisions dropped into the background. Now the positive side—the stress on the collectivity principle itself and on the role of collective bodies—increasingly monopolized the discussion. Little by little the Party theorists worked out the positive ideological implications of the collectivity postulate. These proceeded along two distinct but related lines.

The first was a trend which might be described as "neo-populism." This consisted of placing in a new central perspective the primary role in history of the People (*narod*) as a kind of

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collective entity. This subtle departure from late Stalinist modes of thought seems at first sight a move toward resurrecting a tenet of classical Marxism. That, indeed, is the construction that Soviet ideologists are placing upon it: "Marxism teaches that the principal creator of history is the people."[8] However, on closer examination, the "neo-populism" trend seems rather to be related to certain Russian currents of thought associated with the nineteenth-century *Narodnik* movement. Certainly, in classical Marxism, the role of "principal creator of history" is reserved not for peoples but for classes.

Having firmly established the *narod* in the center of the historical scene in opposition to the "idealistic theory of the cult of individuality," the Soviet ideologists then began to rediscover that there was quite a respectable role to be played by "great historical personages" or "heroes" such as Marx, Engels, Lenin—and even Stalin. "Huge, too, was the role of the disciple and continuer of the cause of Lenin—J. V. Stalin," writes the author of the *Kommunist* article quoted above.[9] The only qualification is that this role, though "huge," is essentially auxiliary:

> Individuality can play an outstanding, progressive role in history only in the event that it understands the conditions and needs of the development of society, that it understands how to change these conditions for the better, how to ease and accelerate the solution of the pressing tasks of social development.[10]

The concept of the auxiliary role of great men in history was never explicitly repudiated even in the heyday of the Stalin cult, although much that was said in Soviet writings about the living Stalin carried the strong implication that he was one great man who had actually dominated the historical process and molded it to his designs. The significance of the passage just quoted lies in the fact that it clearly restates the traditional Marxist-Leninist principle according to which individual leadership is subordinate to the impersonal conditions of the historical development of society. But it also strikes an entirely new note in its emphasis

[8] R. Konstantinov, "Rol' sotsialisticheskoi ideologii v razvitii sotsialisticheskogo obshchestva" ("The Role of the Socialist Ideology in the Development of the Socialist Society"), *Kommunist*, No. 13 (September 1953), p. 60.

[9] *Ibid.*, p. 61.

[10] *Kommunist*, No. 12 (August 1953), p. 37; unsigned editorial entitled "Narod—Tvorets Istorii" ("The People—Creator of History").

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upon the need for outstanding individuals to know when to *change conditions for the better* and "ease and accelerate the solution of the pressing tasks of social development." This is, I believe, an oblique reference to Stalin's stubborn refusal in recent years to face the facts of Soviet economic life and inaugurate the kind of limited amelioration program which the present Soviet regime is now attempting to carry through. Translated into these terms, the passage means: "Stalin was a great historical personage all right, but he would have been considerably greater if he had understood the need for adopting the Malenkov-Khrushchev program of economic and agricultural reform." Thus do the prosaic workaday realities of Soviet internal politics refract themselves into the upper realms of abstract philosophical theorizing.

The second line along which the "no cult" theme received positive ideological elaboration was the line of transferring to organizational entities—the Communist Party and its Central Committee—the credit and prestige for Soviet policies and achievements after Lenin which had previously gone to the "great Stalin." The "cult of individuality" was harmful because it had led to a "diminution of the role of the Party and its directing center," because it had trained the cadres "not in a spirit of devotion to the Party, people, and the cause of communism, but in a spirit of blind trust in and devotion to individual persons."[11] The effort to correct this took the form of an inflation of the role of the Party which proceeded *pari passu* with the deflation of the role of Stalin. The "transference" design was transparently revealed in the title of an early *Pravda* article developing the new theme: "The Communist Party—*Vozhd* of the Soviet People."[12] *Vozhd* means "leader." There are a number of different words for "leader" in Soviet usage, but *vozhd* was the one applied to Stalin as "Our Leader," and it was never applied to any other living individual, and certainly not to an organization. Now the *vozhd* was being, so to speak, institutionalized in the collective personality of the Party. Now it was the Party and its Central Committee which had *made Soviet history*. What, then, was to become of the ex-*vozhd*, Stalin? Well, he could be retrospectively

[11] *Ibid.*, p. 46. [12] *Pravda*, March 17, 1953.

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accorded an honorable position of decent subordination to these organizational entities, making of him in this respect a kind of precursor of Premier Malenkov. This is, in fact, the course that was taken. Here we have a curious process not of restoration of historical truth but of falsification in reverse, and we shall see presently the kind of consequences to which it leads.

III. The New Image of Stalin

The writings examined above laid the groundwork for reconstructing the political biography of Stalin. The task of reconstruction had to be completed by the first anniversary of Stalin's death, a date which called not only for some public mention of the dead leader, but also for a review of his career. This date was duly commemorated, though hardly in a manner which Stalin himself would have deemed appropriate. There were memorial meetings in Soviet institutions, pictures of Stalin in the papers, and articles about the anniversary; but it was all conducted in a perfunctory spirit and lasted only a day or two. The contrast between this formal observance of the Stalin anniversary and the immense propaganda ceremony put on during January 1954 for the thirtieth anniversary of the death of Lenin is very striking. However, our concern at the moment is with the substance of what the Soviet regime said about Stalin one year after he died. This was best conveyed in *Pravda's* anniversary editorial of March 5, 1954, and in a considerably more detailed anniversary article by one A. Krasov, which was broadcast from Moscow for publication in the provincial newspapers of the Soviet Union. These are the principal though not the only sources for the discussion that follows.

The general attitude toward Stalin expressed in these articles may be described as moderately laudatory. Gone is the old hyperbole of the Stalin cult in its heyday, phrases such as "our leader and teacher," "best friend of humanity," "father of the Soviet people," "genius of mankind," "inspired Stalinist ideas," etc. Yet, sharp as this comedown is, it cannot be said that Stalin is now damned with faint praise. Stalin's memory, Krasov tells us, is "cherished by the Soviet peoples and the working people of the

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world." His whole life was "dedicated to the noble task of serving the workers, to an unselfish struggle for their free and happy life, for the victory of communism." Stalin gained "universal recognition and unlimited trust of the people and the Party." He remained, to the end of his days, "at his fighting post." Now that he is dead, the Soviet people is marching confidently forward to communism "under the banner of Lenin-Stalin." The laudatory intent of all this is unmistakable. There is no hint of criticism even by innuendo.

This much being acknowledged, we must go on to inquire what kind of historical figure Stalin cuts in this posthumous image. How is he rated as a leader, thinker, and commander in war? What periods or aspects of his political career are singled out for special emphasis, and what others are glossed over or slighted? It is largely for the light they cast on these questions that the documents before us take on interest and significance.

In the new image Stalin is no longer a colossal history-making figure in his own right. That position is reserved for Lenin alone ("genius of mankind"), and Stalin's role in history is reduced to that of—in the identical words of the titles of the *Pravda* editorial and the Krasov article—"great continuer of Lenin's cause." This theme is stressed so strongly that it is no surprise to find that Lenin's name is mentioned more times than Stalin's, the precise score in the Krasov article being 38 to 35, in favor of Lenin. Stalin, we are told, acted always as a "faithful and worthy disciple" of Lenin, always and in all things remained a "convinced Leninist, a firm follower of Lenin's ideas." In Lenin he saw "the inspired creator and leader of our Party." At Lenin's bier he took an "oath of fidelity to Lenin's teachings." In his efforts as a political theorist he "creatively developed" Lenin's teachings; even in his special field, nationalities, he only "enriched Lenin's teachings on the nationality problem." To the end of his life Stalin "remained true to these teachings." "In everything he followed Lenin and urged the Soviet people to live and work 'in Lenin's manner.' " Thus, Stalin's role in history was to be faithful to and the executor of Lenin's ideas; his glory was a reflection of Lenin's glory.

We find in the anniversary articles a continuation of the trend

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toward cutting down Stalin's early career as a professional revolutionary. Stalin is not portrayed as a co-founder of the Party or co-architect of the October Revolution, or even as an outstanding revolutionary strategist in his own right. Stalin, says the Krasov article, "tasted the grim but glorious fate of a proletarian professional revolutionary"—a statement which would be equally true, from the Soviet standpoint, of dozens of other old Bolsheviks. Describing further his career as a revolutionary, Krasov writes: "His iron will, unflinching steadfastness and determination in the struggle against the forces of the old world were not broken by the numerous difficulties and privations, Tsarist prisons and exile." In this characterization, Stalin rises before the reader as a professional revolutionary who had encountered perhaps more than his share of adversity, who had faced this continual adversity with great fortitude, but who had not succeeded, as Lenin had, in rising above all the adverse circumstances and imposing his mind and will upon the march of historical events. As if to emphasize the relatively modest part played by Stalin in preparing the revolution, the Krasov article adds: "The outstanding organizational talent and theoretical power of J. V. Stalin were manifested *with particular force* during the years of the revolution [1917-18] and of the building of a socialist society in our country [italics added]."

The role of Stalin in the early postrevolutionary years is also shown as subordinate. He no longer appears as co-ruler of the country with Lenin during these years. So long as Lenin lived (goes the new interpretation), Stalin was only one of a number of Lenin's closest assistants. According to Krasov, "J. V. Stalin, Ya. M. Sverdlov and other disciples of V. I. Lenin were the closest associates of V. I. Lenin in the building of the Soviet state." During the civil war, "the whole cause of the defense of the land of the Soviets was headed by V. I. Lenin." Stalin was his "closest assistant." Listing a series of civil war operations which were, he says, "connected with the name of Stalin," Krasov adds: "Everywhere he carried out skillfully and daringly the Party's assignments and the great Lenin's instructions." Furthermore, as Commissar for Nationalities, Stalin merely "directed the implementation of the Communist Party's nationality policy," again

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acting in the role of a policy executor rather than a policy framer. It is no surprise now to discover that what used to be known as the "Stalinist friendship of the Soviet peoples" was "a mighty achievement of the Party."

When Lenin died, the new version implies, no one individual rose to take his history-making place in the Soviet state; there was no real succession to Lenin. Leadership of the country reverted to "the Party," of which Stalin happened to be head: "The Communist Party, under the leadership of its Central Committee, headed by J. V. Stalin, routed the traitors and the defeatists, defended Leninism, and led the country along the path of the building of socialism," says Krasov. It was the "Communist Party and its Central Committee" which "achieved the transformation of the socialist state into an invincible bulwark of peace and democracy in the whole world." As for Stalin, the *Pravda* editorial tells us that his life and work were "closely connected with the history of our glorious Communist Party." Stalin was a "full son of the Party." Just as during the civil war he had carried out the *Party's* assignments and, as Commissar for Nationalities, had implemented the *Party's* nationality policy, so now he appears, in the post-Lenin period, as executor of policies laid down by the Party. This is particularly striking in the passages dealing with industrialization and collectivization, the twin pillars upon which the Stalin regime was erected. Here we find that "the Party evolved a concrete program of socialist industrialization of the country," and that "on the basis of Lenin's teachings the Party, under the leadership of J. V. Stalin, evolved and carried out a policy of the collectivization of agriculture." Thus Stalin is carefully dissociated from direct personal authorship of these two fundamental early policies of the Stalin regime, and the Party is credited not only with carrying them out but with evolving the ideas upon which they were based. During the following period of the prewar Five-Year Plans (which are not referred to in the anniversary articles as "Stalinist"), the Soviet people, according to the *Pravda* editorial, implemented the *"Lenin program* of socialist construction [italics added]" and, successfully carrying out the Party's industrialization and collectivization plans, built a socialist society.

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Another part of the new image concerns Stalin's achievements as a theoretician. In the old myth, tremendous emphasis was placed upon Stalin's mental capacities and intellectual prowess—his wondrous powers of reasoning, his supreme foresight and ability to predict the course of future events, his profound and peerless grasp of Marxist fundamentals, his genius for creatively developing and applying the basic doctrines, his superb skill in argumentation and ability to wither his opponents by the sheer overpowering force of Stalinist logic, his capacity to range widely over numerous special fields of learning and fructify each one with new principles and insights, his marvelous command of the Russian language, and so forth. It is clear that the living Stalin was obsessed with a driving ambition to go down in Soviet and world history above all as a Great Mind.

But this, apparently, is not the fate in store for him. Although there is no tendency to deny him a very respectable place as a thinker (the *Pravda* editorial praises him as "an outstanding theoretician of creative Marxism"), this place is very studiously restricted. Whereas previously portrayed as the intellectual equal of the founders of Marxism, he is now credited merely with making certain specific and limited contributions to Marxist-Leninist doctrine. Using identical phraseology—a good indication of the care taken in fashioning this formula—the *Pravda* editorial and the Krasov article have this to say: "He creatively developed Marxist-Leninist teaching, applying it to new historical conditions, and, on a number of questions, enriched revolutionary theory with new principles." What were these "new principles"? *Pravda* is not explicit on this point, but Krasov tells us that Stalin (1) developed Lenin's teaching on the possibility of building socialism in one country by grounding the further thesis that this was also true of communism; (2) proved that it was essential to preserve the state under communism so long as Soviet Russia remained in a "capitalist encirclement" (the doctrine of "no withering-away of the state under communism," enunciated by Stalin in 1950); and (3) developed Lenin's ideas on building communism in Soviet Russia by determining the basic conditions (cf. *Economic Problems of Socialism in the U.S.S.R.*) for preparing the transition from socialism to communism. At the present

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time, then, the regime is prepared to subscribe to Stalin's personal authorship of these three elements of its ideological legacy, although it wishes to emphasize that in two of the three instances Stalin's originality consisted in further elaborating postulates which came directly from Lenin.

IV. The Issue of Stalin's Military Leadership

Our investigation of the recasting of the Stalin image has proceeded up to this point on the assumption that the motives underlying it have been those of the ruling Party leadership alone. In dealing with the new version of Stalin's relationship to the Soviet armed forces, this assumption can no longer be maintained. Allowance must now be made for the possibility that the Party leadership and the professional military leadership approach the question with differing or even conflicting motives. If there are differences of this nature, then it is logical to look for them in the form of divergent pictures of Stalin's military role.

The revaluation of Stalin's role as a war leader in the Soviet-German war has been prepared in a long succession of Soviet writings of recent months, particularly in articles written by prominent Soviet military men for anniversaries of this or that branch of the country's armed forces. The general burden of these writings has been to substitute the anonymous leadership and inspiration of the Communist Party for Stalin's personal role in the wartime victories of the Red Army. In sharp contrast to the previous custom of attributing every military decision and every strategic success to the "brilliant generalship of the great Stalin," these reviews have managed to tell the story as though Stalin had practically nothing to do with the evolution of the Soviet forces and their combat operations during the war years. Thus Admiral Kuznetsov, in an article written for Soviet Navy Day,[13] refers to Stalin only once, quoting his 1945 statement that "the Soviet people wants to see its fleet still more strong and mighty" (a view, by the way, to which no Soviet naval man is likely to take exception). Writing on the occasion of Air Fleet Day in August,[14] Air Marshal Zhigarev also mentions Stalin only

[13] *Pravda*, July 26, 1953. [14] *Pravda*, August 9, 1953.

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once (as "continuer of Lenin's cause"). And Colonel-General Radzievsky, in an article for Tank Troop Day in September,[15] says no more about Stalin than that in his wartime orders of the day there were 315 honorable mentions of tank actions—a fact, once again, that no Soviet tank troop officer is likely to wish to forget.

All this seems to indicate not only a general trend toward recasting history in harmony with the "collectivity" postulate; it is evidence also of a very specific feeling of revulsion among the military against the myth of Stalin's military genius and probably against his habit of exercising petty tutelage over them. This would explain the virtually total blackout of his military role in the articles mentioned, and the fact that Stalin's name appears only in contexts which reflect credit on the armed services rather than on him.

This hypothesis finds indirect supporting evidence in the Stalin anniversary material. Here the credit for the Soviet military victory in the war against the Axis is given to the Party, the state, and the people. *Pravda* says that

> Thanks to the might of the Soviet state and the wise leadership of the Communist Party, thanks to the self-sacrificing heroism of Soviet men and women, our people won a world-historic victory over the fascist aggressors and maintained the freedom and independence of their Motherland.

So far not a word about Stalin. But when the editorial goes on to discuss, not the military victory itself, but its *political consequences*, it says:

> The crushing defeat of the German and Japanese fascist aggressors *provided conditions* for the formation of an invincible camp of peace-loving peoples, composed of the U.S.S.R. and the people's-democratic countries of Europe and Asia. *All these great victories of the Soviet people are indissolubly linked with the name of Stalin, who in the war years headed the State Defense Committee and the Soviet Armed Forces* [italics added].

In the light of the hypothesis enunciated above, it is possible to read between the lines of these paragraphs and see them as a subtle form of political double-talk on behalf of the Party-political leadership of the country. The innuendo is directed to the

[15] *Pravda*, September 13, 1953.

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professional military leaders of the Soviet Union. The Party leadership is saying to these military leaders in effect: "True, the war was not won by Stalin but by the armed Soviet people and state. You were the military leaders, and there is no intention of belittling your undeniable services then and now. But you must remember that the military victory only *prepared the conditions* for the postwar political harvest. Military leadership alone would not have sufficed to reap the full political benefits from the situation as it took shape in Europe and Asia during and after the war. That required political leadership of the highest order, which Stalin and the Party supplied. In your understandable zeal to prick the myth of Stalin's military genius, you should not overlook the debt which we all do owe to him for what he did in helping the Soviet Union to garner the political harvest of our common military victory. In this sense, our wartime and postwar victories are indeed 'linked with the name of Stalin,' and consequently we see no harm in our now reminding you and everybody else that he was, after all, commander-in-chief of our military forces and head of the State Defense Committee during the war years." This interpretation, if valid, would explain the reappearance of a single echo of the old myth ("all our victories are linked with Stalin") in the midst of a general revision of Stalin's biography in which such an echo has a decidedly alien ring.

The possibility is not excluded that the muted issue of Stalin's military role and reputation has larger implications in the present context of Soviet internal politics. Surveying the question in a broad perspective, we can see that the Party-government leadership has an important political motive for keeping alive the memory of Stalin as "first in war." As supreme commander of the Soviet forces during the recent war, and as the one and only holder of the top rank of generalissimo afterwards, Stalin was, in a sense, the embodiment of the principle of Party-political supremacy over the armed forces. He symbolized both the subordination of the armed forces to Party control and the subordination of technical-military to political considerations in matters of war and peace. It is interesting to note that a backhanded attempt is now being made to emphasize this view of the matter. An article in the government paper *Izvestia* on the anniversary of Stalin's

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death says that, when the Germans invaded Russia, "J. V. Stalin became head of the Armed Forces of the Soviet state *on the decision of the Central Committee of the Party and the Soviet government* [italics added]."[16] No doubt this is technically true, although the real decision to assume supreme military leadership was, of course, Stalin's own. The point is that now the Party-political leadership of the country particularly wishes to stress that, when he served in the capacity of first soldier of the Soviet Union, *Stalin was representing them.* The other aspect of the matter comes out in the *Pravda* editorial quoted above, in which the point is made in a wary but unmistakable way that Stalin represented the principle of subordination of technical-military considerations to political ones in time of war.

So long as the tendency to dethrone Stalin from his military eminence remains within certain limits, it fits the purposes of the general deflationary process which we have been examining in these pages. However, it is plain that the Party-political leadership must view with considerable disfavor any move on the part of the generals and admirals to carry this tendency too far. If it is carried to the point of discrediting Stalin's generalship by the technique of maintaining total silence about it, and of blotting out the whole record of Stalin's relationship to the development of the Soviet armed forces and their victories in war, the tendency becomes a real or potential vehicle for a veiled attack upon the twin principles of Party control and the primacy of the political approach to war and peace. It is hardly likely that these symbolic implications have escaped the minds of leaders in the Soviet officers' corps, and the Kremlin politicians have apparently seized upon the opportunity afforded by the first anniversary of Stalin's death to counteract in print a tendency which, from their point of view, has indeed gone "too far." Their transparent attempt to revive Stalin's by now sadly tattered military reputation becomes a means of backing up their claim to wield supreme political authority over the Soviet armed forces.

It scarcely needs to be emphasized that the interpretation offered here is only an inference and may or may not be substantiated by the further course of events in Russia. However,

[16] *Izvestia*, March 5, 1954.

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even assuming its complete validity, it would probably not point to a "struggle for power" in the crude and obvious sense of the phrase. The vital issue, at least for the present, would revolve around a demand by the military professionals for full functional autonomy in technical military affairs and for an influential voice in all policy-making and decision-making in which matters of war and peace are involved. They would, for example, expect the political leadership to consult and give decisive weight to the corporate military opinion before taking any decision which would involve the country in new military commitments, whether direct or indirect. Having been liberated by Stalin's death from the petty tutelage which he individually exercised over military policy and military men, the top professional soldiers would now, understandably, be quite reluctant to submit to a resurrection of the same old yoke in "collective" form. The rather prominent part which representatives of the military group apparently played in the Beria episode is fully consistent with this hypothesis. Their participation in the removal of Beria might well have been motivated by a desire to limit, if not break, the arbitrary power of the political police—the only instrument by which the Party leadership might hope to secure the kind of control over the military which Stalin had wielded.

V. The Meaning of the New Stalin Myth

We have traced the process by which the post-Stalin regime has refashioned the image of Stalin to bring it into line with its current needs, postulates, and political values. In the course of this refashioning process, Stalin has been transformed in retrospect from a gigantic history-making figure into a modest lifelong Leninist. He has been made into a good Party man who, though history placed him at the head of the Central Committee, fulfilled in his activities the will of the Party and people, never imposing his own individual will upon the historical process. The logic of the process is such that there would be no justification now for any references to the "cult of individuality" in a sense derogatory to Stalin. Although the "no cult" theme has not been abandoned, it persists only as a minor adjunct to the propaganda of collective leadership. As for Stalin, the circle is now complete. He has now,

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in effect, been held up to the Soviet people as an exponent of "collectivity." It thus causes no surprise whatever to read in Krasov's article that Stalin "based his entire work on the masses, seeing in them the true creators of history." Here we have the end result of an iconoclastic movement which wound up by creating a new icon.

All this represents, as stated earlier, not the resurrection of historical fact but the creation of a new political myth, the myth of Stalin's subordination to the Central Committee and the Party. It will be remembered that, when Stalin came to power in Russia, he made use of the slogan: "Stalin is Lenin today." It is as though the new regime were adopting the motto: "Stalin was Malenkov yesterday."

The old Stalin myth grossly falsified his early political biography. It also fictionalized his personality, attributing to him superhuman wisdom, virtue, and capacities. But it reflected rather accurately the reality of the despotic power which, in his middle and later years, Stalin came to wield in the affairs of the Soviet state. The now discarded phrase "Stalin epoch" was, after all, genuinely descriptive of a situation of one-man rule which actually existed in Russia through most of the second quarter of the twentieth century. The new myth, on the other hand, falsifies the biography of Stalin-in-power by erasing from it the very fact to which the old myth corresponded: Stalin's autocracy. And the personality of Stalin undergoes a corresponding metamorphosis. The superhuman attributes vanish, to have their places taken by the scarcely less fictional qualities of a modest follower of Lenin and humble servant of the will of the Central Committee. The upshot of the process is the transfiguration of Stalin from Father of the People to Son of the Party.

According to the maxim of the early Soviet historian Pokrovsky, history is politics projected upon the past. The metamorphosis of the Stalin myth is an excellent illustration of the truth of this maxim, at least insofar as Soviet historiography is concerned. Let us consider some of the ways in which the new history of the reign of Stalin represents contemporary Soviet politics projected upon the past.

The Stalin cult, especially in the fantastic dimensions which it

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assumed during Stalin's last years, was the folklore of an autocracy. It was the counterpart in myth and ritual of the inner realities of Stalin's one-man hegemony in Russian affairs. For a new regime which aspired to do away with this unofficial autocracy as an institution, it was necessary to dismantle the cult. This could be accomplished in one of two different ways. Either Stalin could be discredited as a deviationist who had supplanted Party rule with personal rule to the detriment of the country's interests, or else Stalin's prestige could be partially salvaged at the cost of drastically reducing his stature in Soviet history, so that the official image of him would correspond with the political values and practices of a regime whose keynote is "collective leadership." The choice was between iconoclasm and iconography. After a rather short initial period during which the prevailing tendency appeared to be iconoclastic, the Soviet regime shifted to the path of iconography and remade Stalin in its own image.

Other motives and considerations aside, this decision was dictated by the logic of political expediency, or possibly even of political survival. According to this logic, the continuity of the dictatorship must be preserved, because only in such continuity, clearly traceable back to the dictatorship's revolutionary origins, lies the claim of the regime to legitimacy. Failure of the group whom Stalin's death placed in power to take the course which has now been taken with reference to the memory of Stalin would have, at first subtly and later more and more obviously, undermined this claim. It could be argued, of course, that, in order to counteract this threat, the regime could have fallen back upon a claim to represent "true Leninism," relying upon the widespread conviction of the present generation in Russia that Stalin and Stalinism represented in some recondite way a corruption and denial of Lenin's period in Soviet history. "Back to the path of Lenin" could then have been its slogan, and such a slogan would have aroused considerable popular emotion among large sections of the Soviet population, including the youth. This, however, would have constituted an invitation to instability, for what did "Lenin's period" mean in the Russian national context? In the memory of the Russian people the Lenin period is associated with NEP, with individual peasant farms, with free discus-

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sion in Party circles, and with Europeanism in intellectual and artistic fashions. The "back-to-Lenin" slogan would be a mortal peril to any Soviet regime not prepared to admit the full implications of these facts for its future policy in internal affairs.

The Malenkov regime has shown its awareness of the relative popularity of the Lenin image in the Russian public mind. This is reflected in its deliberate attempt to withdraw Lenin from the partial eclipse which his official memory had suffered in the later years of the Stalin cult and restore him to the supreme pedestal in Soviet internal propaganda—as was done on the occasion of the annual Lenin commemoration in January 1954. It is also reflected in the very heavy stress placed upon Lenin and Leninism in the propaganda materials published for the anniversary of Stalin's death. However, the logic of political expediency prevents the Malenkov regime from recognizing the invidious distinction between Lenin and Stalin which constitutes, as it were, the reverse side of the Lenin image in the Soviet popular mind. Regardless of the subjective preferences of any individual or group within its composition, the regime is compelled by the events and policies of three Stalin decades, and by the role which its own leading members have all played in these events and policies, to take the position that "true Leninism" is Leninism as codified by Stalin in his early works and developed further in some of his later works, and that the basic policies followed by the Stalin regime in Russia, and particularly the policies of industrialization and collectivization, represented Leninism in action. It is forced to proclaim the thesis that Lenin's path was the one followed by Stalin. Since it cannot deny the Stalin period, the present regime cannot dissociate itself from the Stalin image. It can, however, refashion this image in accordance with its own political and ideological requirements, and that, as we have seen, is the course it has taken.

It is important to recognize, I believe, that while this process commits the Malenkov regime to a very great deal that was explicit or implicit in Stalinism as an ideology, it does not commit it to everything. Although in the new image Stalin is held up as an object of respect and even of veneration, he is not portrayed as a semi-divinity, and his thoughts are not canonized as an eter-

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nal norm and model for all future Soviet thinking on every subject under the sun. The new Stalin myth, for the very reason that it reduces Stalin to a role subordinate to the Party and its organs, frees the post-Stalin regime from an attitude of rigid and slavish conformity to every single feature of Stalinism as a system of thought and values. It is likely that out of this new relative flexibility there will evolve a number of minor shifts and correctives in the ideological sphere, which would correspond to the shifts and correctives introduced during the past year in Soviet economic and agricultural policies. We might then see the gradual emergence of a kind of "neo-Stalinism" in Soviet doctrine, which would differ in some respects from the Stalinism of its living progenitor.

It is still too soon to predict with any confidence the precise lines along which this doctrinal development will proceed, although we have already seen that certain changes are being made in the Soviet philosophy of history and social development. It seems most probable that the doctrinal development will derive some of its inspiration from the attempt to return with a fresh mind to the Stalinism of the earlier years as represented in Stalin's lectures on "Problems of Leninism" and in the ideological concepts outlined in his speeches at prewar Party congresses, notably the one in 1939. There is already some evidence of this in the selective interest which Soviet propagandists are now displaying in Stalin's works of the early twenties. It would probably be a safe generalization to say that the elements of the Stalin ideological heritage most vulnerable to neo-Stalinist modification or rejection would be various accretions of more recent years, such as the Lysenko doctrines and the postwar upsurge of militant Russian nationalism.

VI. The Cult of the Party

The deflation of Stalin's role in Soviet history has been matched by a corresponding inflation of the role of the Party. One of the principal results of the propaganda of "collectivity" has been to transfer to the Party much of the official prestige and credit for leadership which previously were accorded to Stalin. Thus, for example, G. Aleksandrov, a prominent ideological

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spokesman who has lately been appointed Minister of Culture, refers in an article published for the Stalin anniversary to "the absolutely exceptional role of the Communist Party as organizer of revolutionary practice and creator of revolutionary theory."[17] Imagery characteristic of the Stalin cult reappears again in Aleksandrov's further statement that "the Communist Party has figured and figures as the great leader (*vozhd*), far-sighted director and revolutionary mentor of the masses."[18] Such statements plainly reflect a desire to switch onto the symbol "Party" a large share of the official worship which previously centered around the person of Stalin. The unspoken intent of this is to create a new "cult of the Party" to take the place of the now-abandoned cult of Stalin. What is the political motivation behind this new trend?

A clue to the answer may be provided by the analysis given above of the function of the Stalin cult. We have said that this cult furnished a way of giving recognition to the historical fact of Stalin's unofficial autocracy. Reasoning along the same lines, one might interpret the emerging cult of the Party as an effort to establish a rationalization in myth and ritual for the unofficial rule of Russia by a small oligarchy composed of Stalin's principal heirs, most of whom combine major positions in the Soviet government with the role of Party leaders. In other words, whereas the Stalin cult represented the folklore of an autocracy, the cult of the Party is meant to serve as the folklore of an oligarchy. Although there may well be differences or tensions within the oligarchy, it is united, at least for the present, by the common interest of all its members in asserting their collective supremacy over every other group or element in the nation which may have a corporate interest or point of view of its own. The cult of the Party is the ideological symbol of this relationship.

The reason for the oligarchy's choice of the Party as the focus of its symbolism of power is explained by the structure of the Soviet system. The primary political instrument of oligarchical rule is the highly centralized Party apparatus, with its far-flung network of subordinate local units, its intricate system of controls ramifying out into every organization within the Soviet borders,

[17] *Pravda*, March 5, 1954. [18] *Ibid.*

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and its disciplined mass elite of about seven million members. In the cult of the Party, the oligarchy is glorifying this securely controlled instrument to which it owes its ability to manipulate the levers of authority from top to bottom of the Soviet state.

The oligarchy's principal present concern, as we have seen, is to maintain its supreme authority and predominance over any specialist group or element with interests of its own to promote—such as the military professionals, the police, the intellectuals, or possibly the managerial class—which might now or in the future come forward with demands for functional autonomy within the Soviet system or, in some cases, for a corporate voice in the determination of state policy. Inasmuch as joining the Party is virtually a condition of advancement to the top rungs in any profession or important sphere of activity in the Soviet Union, it is obvious that any such specialist group or element would inevitably be composed in overwhelming majority of individuals subject to the formal discipline of membership in the Communist Party. This points to a further motive behind the cult of the Party. It serves the oligarchy as a means of arguing that the loyalty of every Party member to the Party itself, and hence to the Party leadership, should take clear precedence over his loyalty to any group or professional organization outside the Party. Whether a Party member happens to be a soldier, a writer, a business executive, or any other kind of specialist (this argument runs), his *first loyalty* is to the Party and not to the profession. In view of the oligarchy's vital interest in the imposition of such a point of view, it is quite logical that its rallying cry now should be "Partyness" (*partiinost*), connoting the primacy of a Party-political approach over a professional or technical approach to all problems and issues which arise in every department of Soviet life.

In conclusion, it is important to take note of one important difference between the cult of the Party as it now stands and the Stalin cult as it stood in the latter part of Stalin's lifetime. The autocracy to which the Stalin cult corresponded had finally become an established fact of Russian history. The oligarchical system of rule to which the cult of the Party is meant to correspond is a present fact of Soviet life. But it is not as yet a fully

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established fact in the sense that all groups and individuals have made their adjustment to it and regard it as a law of nature. In the case of the military professionals, there are signs that a demand for emancipation from the tight controls characteristic of the Stalin autocracy has already materialized. A similar ferment is visible in other spheres, notably among the creative writers and artists, though here the bid for limited autonomy is bereft of real power to see it through. Nevertheless, these are authentic signs of the times. They make it plain that the train of events which the death of Stalin set in motion is not confined to the apex of the power pyramid. Below that level, forces are astir for changes of greater scope and significance than any which have yet occurred in the short period since Stalin died. A widening cast of characters is likely to take the historical stage, as the drama of post-Stalin Russia unfolds.

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GERMAN OFFICIALDOM REVISITED:

Political Views and Attitudes of the West German Civil Service

BY JOHN H. HERZ

DEEP crises in the life of a nation sometimes lay bare with lightning clarity those basic social ties, loyalties, and commitments which render possible some maintenance of order and control when everything seems about to break down or disappear. In 1945, year of the deepest crisis that the German people have undergone in modern times, groups and organizations like the Junkers or the Nazi Party simply vanished; others, like the military, disappeared at least temporarily or, like the industrialists, were gravely weakened. It was the bureaucracy which became the bedrock, the irreducible minimum of social cohesion upon which, first locally, then in larger units, society was rebuilt. Subsequently, confirmed in its traditional position of control by the occupation powers (certain measures of attempted political purge and technical reorganization notwithstanding), its actual power was enhanced by the innumerable tasks of postwar reconstruction, from the building-up of entire new administrations (in the new *Länder* as well as on the bi-zonal and then federal levels of government) to the handling of what has been aptly called the "universe of claims"[1] arising out of Nazi, war, and postwar conditions.

With officialdom still one of the chief controlling groups in West Germany, it is clear that its political views and attitudes may not only significantly reflect general German attitudes, but may also have considerable impact on German policy formation, as well as on the opinions held by broader strata of the population. It seemed important, therefore, to study in some detail its present political inclinations.[2]

1 Otto Kirchheimer, "Notes on the Political Scene in Western Germany," *World Politics*, VI (April 1954), p. 311.

2 The following is based on a study prepared by the author for the RAND Corporation. Interviews were held with some fifty officials, selected so as to represent various West German regions (including West Berlin) as well as different levels and branches of the administration, including judges and other members of the judicial bureaucracy.

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I

So far as the opinion-forming effect of these views is concerned, a preliminary caveat is necessary. Like the German people generally, present West German bureaucracy is deeply split in its basic value-judgments. Indeed, one of the most striking impressions received by an outside observer of the German scene concerns the rift in German reaction to what happened in Germany and to Germans in the last two decades. This division affects the Germans intellectually, politically, and even personally; it determines attitudes and colors opinions on most of the more specific questions of domestic and foreign policy. One group—apparently a majority—of Germans, including officials, react to what happened prior to 1945 by denying, so to speak, that it ever happened, developing a mental habit of negating or repressing what they do not like to remember. History, for them, begins in 1945. These Germans are by no means all Nazis or outspokenly antidemocratic. There are such elements among them, to be sure, but one is struck by their relative numerical insignificance. The typical member of this group instead betrays an absence of political interest or a pronounced cynicism or opportunism. He refuses to embrace any new value-system in place of the shattered old one. He continues to vote, and—as the federal elections of 1953 proved—usually not for one of the ultra-rightist parties. But his political activity should not be mistaken for genuine political dedication. It is precisely the precariousness and instability of their political convictions and affiliations that characterize most of these Germans today.

For others—a minority—history begins at least in 1933. Possessing firm moral and political views, they are prepared to draw conclusions from the events after 1933, even though this may involve admitting guilt or responsibility. Ashamed of many things that did happen (although he probably was not personally involved), this type of German opposes totalitarian systems, trends, and habits. He tends to be liberal in a broad sense, humanitarian, frequently pacifistic, opposed to the power-political and militaristic inclinations of the old Germany. Although he is more likely to be on the (non-Communist) left than on the

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right, his group cuts through almost every political alignment. It comprises not only victims of the Nazi regime but also many others, motivated chiefly by religious convictions or humanitarian-democratic principles. As for the party affiliations of those Germans possessing genuine political convictions (as distinguished from the larger number of more "unpolitical" party followers), it can probably be said that in the SPD not all, but most, belong to this group; in the CDU not all, but many, do; and in the FDP not many, but some.

This split accounts for the somewhat top-heavy structure of present-day German officialdom. A considerable number of leading positions are still held by members of the "minority" group. This is not too surprising in light of the post-Nazi reconstruction of the civil service; despite its ultimate failure,[3] denazification did at first involve the replacement of top-level Nazis by anti-Nazis. But these senior officials tend to become officers without an army. Denazification and reform never penetrated far into the rank and file; and younger Germans, from whom new appointees are recruited, have the standards of the "majority" and its version of history transmitted to them by schools and universities which, in this respect, have completely failed in their task of "reorientation." Consequently—and paradoxically—it is at the top level of authority that one is most likely to find officials with anti-authoritarian leanings. At the risk of exaggerating only a little, it might be said that today it is the police commissioner who is likely to be the humanitarian, and the district attorney the democrat.

What this implies for opinion formation is obvious. Top officials remain divided from the majority of their colleagues, a tragic repetition (and one of which the 1954 democrats seem to be almost morbidly aware) of what happened toward the end of the Weimar period. Their influence, then, on the rank and file and on local populations should not be overrated; it is more likely the *Amtsrichter* or some similar official with "roots" in the local community who is the molder of local opinion.

Even the "majority" group among civil servants, however, exhibits significant deviations from the (anyhow somewhat

[3] Cf. J. H. Herz, "The Fiasco of Denazification in Germany," *Political Science Quarterly*, LXIII (1948), pp. 569ff.

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stereotyped) image of the traditional conservative-nationalist, authoritarian, "Prussian"-type official. What guided the latter was a conservative system of values and ideals. In terms of the famous German "controversy on colors" (of the flag), he stood for "black-white-red," the old Imperial colors. Today few officials even remember those colors, but nothing has replaced the ideals they represented: certainly not the red of Communism or the Nazi swastika. But neither has "black-red-gold," the official flag of present-day Germany (as it was of Weimar and of the 1848'ers). While the typical German official no longer identifies himself with a conservative outlook, movement, or party, he avoids close affiliation with any other political trend, movement, or party. He is neither pro-democratic nor neo-Nazi—he is not pro- or neo- anything. From a genuine "estate" that knew what it wanted politically, and knew how to get and defend it in the face of parliaments, parties, or other forces, German officialdom by and large has turned into a group of "functionaries" ready to serve whoever happens to be in charge. Today, that is, the German official serves the more or less democratic parties and the groups they represent; tomorrow he may possibly serve others. The new functionary-official does not dare to have ideals of his own. Tough and "realistic," sober and entirely unromantic, he suspects those with a *Weltanschauung* as unpractical.

Having gone through nazification and denazification, all the "new official" is interested in is security. Unwilling to stick out his neck, he won't be caught napping again; he does as directed and avoids responsibilities. He tries to maneuver himself into a position where he can join in the developing majority opinion (*sich anschliessen*). Any suprapersonal ideal to which he might pledge allegiance could endanger his job security and threaten his personal interests. So he refrains. In this he does not seem to differ from other Germans. To a majority of German workers, for example, especially the younger ones, socialism, the creed of the older generation, has paled; it represents the "myth of the nineteenth century." Instead, the worker wants to acquire or maintain the living standard and prestige symbolized by possession of the ubiquitous motorcycle. Like his fellow-Germans[4]—

[4] Quite generally, the Bonn Republic strikes one as a more sober, pragmatic version of something *déjà vu*; good sense but little *esprit*; Weimar minus Tucholsky.

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possibly like the average member of any society in which the individual is a cog in the organizational machine—the average member of German bureaucracy wants two things: security, and (although he himself is part of the machine of the regulatory state) a measure of individual freedom from the exigencies of organization—a perhaps unobtainable combination of personal security and personal freedom.

II

It is thus hardly surprising to find the average German official, in his attitudes toward problems of domestic policy, first of all occupied—one might say, preoccupied—with questions concerning his own profession, and here, in turn, primarily with "material" things, such as salaries, pensions, and so forth. He still pays lip-service to the ethics and ideals of his profession, which was supposed to be an avocation, with the "servant of the state's" dedication to the common weal; but it has a hollow ring. Other social groups in which the official used to take an interest as people entrusted to his care now appear primarily as competitors in the general race for improved living conditions. Sensing that as an official turned "functionary" he has to make up for lessened social prestige by better emoluments, he complains bitterly that his income has not kept up with that of the "better classes," not even with that of better-paid workers or employees in private industry. Invidious comparisons abound, with respect not only to groups other than civil servants, but also to the different categories within the service.

The official's dissatisfaction with his standard of living does not, however, extend to the manner in which the civil service was reorganized after the war. There is general satisfaction with the restoration of the "professional civil service" as a separate class and career possessing all the features of erstwhile German officialdom, including constitutional protection of its "vested rights." With the exception of the democratic minority, German officials consider this defeat of Allied reform policies as a victory for a system in which they believe deeply. They contend that reform would have substituted a "political" service of "inexpert jobhunters" for the high standards of expert career officials. Thus,

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in regard to the question of *Aussenseiter*, i.e., admission to the service of qualified persons who have not gone through the various stages of preparation for career and intra-service promotion, it is hardly even admitted that there can be such persons. Outsiders cannot, by definition, be "qualified." Although most of those who were chosen to replace the Nazis after the war had been former officials with all the required qualifications, they are now often ostracized as "1945'ers," that is, as persons who obtained their positions for political reasons in a time of defeat. Another "number" group, the so-called "131'ers," have not encountered quite such opposition. Together with expellee officials from the East, this group comprises officials dismissed or suspended for Nazi connections or activities to whom a federal statute based on Article 131 of the Bonn Constitution gave a legal right to reinstatement. Despite their Nazi past, many officials feel that these are "career brethren" who do not constitute a political danger any more. True, it is the rare official today who voices Nazi views openly; even among "131'ers" it is difficult to find anyone admitting that he ever was really connected with Nazism. In general, those who have been reinstated seem to have no major complaint against the regime; in this sense, they are satisfied. After all, the new regime did treat them leniently. But this is far from positive commitment. And it seems that they tend to form cliques, trying to promote themselves and their comrades, opposing and maligning the "1945'ers," even claiming special consideration as "victims of anti-Fascism." But few, outside of the minority group, seem to see any danger in such attitudes. German bureaucracy has closed ranks again, but as a "special interest" group rather than a "caste."

The average official's somewhat narrow concern with immediate personal or professional interests accounts for his lack of any greater concern with, or information about, broader questions of domestic policy. Only where the organization and functions of administration, judiciary, etc., are affected does one encounter more widespread interest in and more lively discussion of issues. And even then the majority tends to back up "efficiency" rather than any other goal or value; streamlined efficiency *is* the predominant value. Thus there is a good deal of grumbling

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about the restoration of an elaborate system of administrative jurisdiction, which, so it is affirmed, has led to the "claim craziness" (*Rechthaberei*) of the man in the street. Even more distrust is noticeable in regard to that conspicuous innovation in West German government, the power of judicial review, especially as exercised—vigorously—by the Federal Constitutional Court. "No sooner have they established a stable system of government than they create procedures for opposition, wrangling, delay." Criticism of the Karlsruhe court is particularly strong among the ministerial bureaucracy. Some officials in the Bonn departments are inclined to perceive in it a "personal enemy" who, as one of them phrased it, "tries to set himself up as a third branch of the legislature next to *Bundestag* and *Bundesrat*." If one remembers the established German habit of having most legislative bills drafted in the ministries, it is easy to see how such constitutional innovations seem to interfere with speedy and efficient law-making procedures.

The minor role played by the concept of law is also revealed in connection with the problem of "war crimes" and Nazi criminality. Even among legally trained officials, the Allies' attempt to distinguish between political error in siding with the Nazis and commission of actual crimes is dismissed or forgotten, and Nazi or war criminals are therefore put in the same class as that to which many vaguely feel they themselves belong—namely, those who more or less actively supported the regime. Almost everybody—so one (non-Nazi) official put it—has worked out his own, personal "philosophy of exculpation," so that in the end even fervent former Nazis are now convinced that they never were such. They readily believe, therefore, that others were not different, and are surprised if one tells them that generals, for example, were not tried and sentenced merely because they were generals, but that in each case they were indicted for specific crimes. Prosecution of Nazi crimes by *German* authorities is therefore likewise played down. Those prosecutors who believe in seeing to it that justice is done admit that it is almost impossible to get such cases prepared. Legal niceties and other obstructions slow them down interminably, while cases where Communists are charged with exactly the Nazi crimes in reverse

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(e.g., maltreatment of their comrades in Russian PW camps, corresponding to Nazi maltreatment of concentration camp inmates) are being processed in no time: evidence of the weakness of the concept of equal justice under law among the very practitioners of the law. It is illustrative of a more general "pro-rightist" and "anti-leftist" bias, not in the sense of *being* more rightist than leftist, but of proceeding on that basis whenever a case occurs in which a person's political opinion or attitude is relevant for the official's action. One—unbiased—official charged that if a Communist does something like attacking an opponent in a street brawl, it is "sadistic terror" to the police, the courts, and public opinion as voiced in the press; if it is done by a rightist radical, it is pardonable and pardoned. This is the same bias that characterized much of Weimar administration and ajudication.

When proceeding to more general problems of government and politics, one encounters much less pronounced and generally rather moderate views and attitudes. Indeed, when asked about their views on the constitutional structure of the Bonn regime and its governmental and political processes, the initial reaction of most officials is, "Why, there is hardly any problem here. There is nothing wrong with the new government; it works as well as can be expected under the circumstances, doesn't it?" This absence of marked hostility, criticism, or emotionalism is striking, particularly if one recalls how much controversy and argument pro and con prevailed in Weimar times, with a large part of the bureaucracy hostile toward the entire framework of constitutional democracy. This corresponded to the existence, at that time, of strong opposition forces, especially on the right; their absence today may be a reason why the modern, "streamlined" official reflects in views and attitudes the now prevailing "power situation." For the present-day bureaucrat no longer develops his own political standards in the face of a general climate of opinion; rather, he accommodates himself to "existing conditions." That this does not imply a permanent commitment has been stressed before. But, for the time being, it certainly tends to bolster up the present regime and type of government.

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III

Among more specific issues, what is most frequently acclaimed is the stability of the new government, the fact that the Bonn Constitution has made it possible for one chancellor, and practically the same cabinet, to stay in office since the inception of the new federal regime; this is contrasted with the "destructive," i.e., unstable, Weimar or French type of parliamentarianism. It gives the official a feeling of being part of a machine which, largely undisturbed by partisan or similar interference, is permitted to function under the control of experts. By the same token, most German officials (the truly democratic minority group excepted) still seem to be skeptical toward popular participation in government. Few oppose democracy outright,[5] but many consider parliaments and political parties as "elements of disintegration." Their existence involves a threat of outside forces intruding upon executive affairs; inexpert "talkers" hamper the work of experts. But attitudes in this respect are a bit ambivalent. Thus, while most officials are critical of the influence of parties on matters of appointments and promotions, many are not averse to joining them in order to improve their professional chances. They are, moreover, generally in favor of a strong representation of officialdom in parliament, i.e., of acting as a pressure group in competition with the other social and occupational interests represented in parties and parliaments. There is now an additional reason for this—namely, the absence of any one party which (as the Conservatives did in former times) would represent the particular material and prestige interests of the bureaucracy. Thus civil servants, like many other groups in German society, while skeptical toward democratic institutions in principle, still utilize them fully where they promise to yield material benefit or political advantage.

Another frequently discussed issue is that of what Germans call "particularism," or regionalism vs. centralization. The most outspoken and most general criticism of the present constitutional framework concerns the federal structure, and in particu-

[5] Although the term itself has assumed an almost pejorative connotation: the German attributes to "your (i.e., the Western countries') democracy" almost anything that goes wrong or works badly, from party rivalries to traffic congestions.

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lar the allegedly too broad powers and jurisdictions of the member states. It is perhaps not surprising to encounter such criticism on the level of the federal bureaucracy. More significant is the fact that, with the one exception of Bavaria, there are hardly even any *Land* officials who would rise in defense of *Land* interests. It is not merely details that give rise to objections, such as the artificial, "synthetic" character of most *Länder*, or the absence of "large space" (*Grossräumigkeit*) which confines officials to action in a small and somewhat petty sphere and offers little variety in places of employment. The criticisms seem to reflect a general paling of regionalist attitudes and similar more "sentimental" and traditionalist positions in favor of sober realism and efficiency, which in this instance means centralism.

In their attitude toward economic and social problems and social groups outside their own, most officials betray what may be called a typical "middle-class" bias. In this they are true representatives of the society they serve, West Germany being neither "proletarian" nor in any other way, not even the feeble way of Nazism, "anti-bourgeois." However, while West German society today is decidedly "upper middle-class" in regard to policies, people in control, and general atmosphere, only some officials, particularly in the ministerial bureaucracy at Bonn, share upper middle-class standards. The others tend to reveal lower middle-class standards and, sometimes, prejudices. They envy better-paid employees and workers; indict the "power claims" of the trade unions; and in general draw a clear line between themselves and "mere jobholders." But they also criticize business; there are invidious comparisons drawn between themselves and those who live conspicuously: industrialists, other independent businessmen, even smaller independents, and all those who have an expense account. And with continual farm prosperity for twenty years and protectionist policies keeping food prices high, "greedy" farmers come in for heavy criticism; officials here react as urban consumers. Many favor a common European market for farm products: "This would serve the peasants right, and egg prices would be lower."

But there are also groups toward whom the official still views himself in the role of protector, the administrator whose duty it

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is to take care of them. They comprise the numerous groups—expellees, victims of air-raid evacuations, those who lost out through currency reform, etc.—for whom the bureaucracy not only had to settle claims, but had to provide shelter and food, clothing and jobs. Officials take considerable pride in the orderly and efficient manner in which they have solved these problems; the unbiased observer will admit that their pride is well founded.

IV

German views on foreign policy can hardly be separated from attitudes toward domestic problems. The division of Germany lends the problem of reunification and all that is related to it a character at once international and internal. Other "foreign" problems, such as EDC, at once raise "domestic" issues like that of German rearmament. For a variety of reasons, opinions voiced by German officials on these questions cannot always be taken at face value. There tends to be less familiarity with facts than is the case in the discussion of purely domestic matters. There is a disinclination to have outspoken views on a field in which the average official feels he is a "layman," and which, therefore, should be left to the "experts," i.e., the diplomats (this matter "should be taken up with the competent foreign ministry officials"). Opinions rarely give the impression of being the result of thorough reflection; often they seem derived—automatically, so to speak—from a general party affiliation (which, in turn, is usually determined by an individual's private interests and the party's domestic program rather than by its foreign policy platform). Perhaps even more importantly, they are derived from membership in the "minority" or "majority" groups referred to above.

In this respect, it is essential to realize that those who adopt a certain "orientation," e.g., that of "neutralism" or "Western integration," may do so on the basis of either one of two fundamentally different basic attitudes. Take, for example, "neutralism." Although today pretty hard to find, the occasional neutralist official is likely to belong to that category of Germans whose basic values, from the point of view of liberal democracy, are the most desirable. Impressed with the evil nature of totali-

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tarianism, he puts the aim of liberating the Eastern Zone above anything else. Rightly or wrongly, he perceives the only chance of such liberation in a neutralization of Germany; the West would renounce Western integration and militarization of Germany in return for the Soviet's release of the Eastern Zone; this would also offer the only chance for Germany, and possibly the world, to escape war. This idealistic approach—anti-totalitarian, anti-militaristic, and "patriotic" (as distinguished from "nationalistic" in a power-political sense)—contrasts with a widespread indifference toward the fate of the East and toward unification. True, almost everybody in the West stands for reunification as he is "against sin"; but he does so in rather lukewarm fashion, afraid of economic and other dislocations and sacrifices which unification might entail, since he is prospering now. As against this, the "idealist" (or, if you want, utopian) neutralist impresses one as the keeper of the German conscience.

But the German may be neutralist for reasons of another sort. Why should Germans sacrifice themselves for their erstwhile enemies, the Western powers? A neutral attitude might not only enable Germany to escape fighting, but also place her in a position of an independent strong power again. Neutralists of this second type are thus motivated by quite different ideals—specifically, the aim of seeing Germany rise to the status of a powerful, if not dominating, nation again.

"Western orientation" may likewise be motivated by opposite considerations. There are those who feel that Germany owes a debt to the world. Realizing that it was Hitler whose aggressive policies opened the way to Soviet expansion into Central Europe, they believe that Germans should now contribute their share to the defense of the world against the Soviet danger, even at the risk of destruction in a new war or, on a lesser level, at the risk that remilitarization would endanger the frail new German democracy. Thus there is here a feeling of responsibility in a common cause. But Western orientation also promises a revival of German political influence and military might, and in this lies its attraction for others. German hegemony in Western Europe and an eventual reacquisition of lost territories beckon here. In some extreme cases, the reasoning is about as follows: Germany's

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present plight is one for which the Western powers bear prime responsibility. They not only muffed the chance to join forces with Germans in 1945 to beat the Russians, but even permitted the latter to penetrate into the heart of Germany. It is therefore up to America, in particular, to solve problems of its own making. But since Americans, in contrast to their earlier postwar policies, now see the light, Germans are ready to forgive and forget and to cooperate in a common venture; provided, always, that no essential German interests are neglected.

Similar contrasting motivations can be discovered behind attitudes concerning military or economic integration with other European nations and many other issues. It is perhaps more important to report on another tendency, one which contrasts sharply with past German attitudes as well as with the absence, in the domestic sphere, of democratic commitments and leanings among the majority of officials: a very definite and widespread rejection of "nationalism" in an extreme sense, expansionism, "power politics," etc. One is struck by the almost complete absence of the typical Nazi ideas on race and the rather vehement rejection of militant nationalism, aggressiveness, war. Even officials who concede the necessity of rearmament in one form or another (and they constitute the large majority) do so reluctantly and frequently express the hope that the actual process will be delayed as long as possible. They insist that war is discredited and that Germans generally have had "their fill" (*die Nase voll*) of adventurist foreign policies which might lead to war.

How can one explain this new approach? Although many officials claim that it is shared by most Germans, it must first be interpreted as that of a specific group. "Civil" servants, in contrast to other social groups in Germany which customarily have stood in awe of the military, have a certain tradition of "civilianism"; they have at times opposed the military and that militarism which assigned priority to military policies over the sober, administrative tasks of the official. And when one recalls that under Nazism even military circles became fearful of the adventurist policies of the political leadership, the anti-adventurism of the officialdom can hardly surprise. Moreover, it would seem to conform to the general anti-romanticism, the "new sobriety," of

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the "new official." Finally, it might reflect the prevailing spirit of "retreat into privacy," if not egocentrism, which characterizes present-day German society and causes disinterestedness in larger political questions generally. What about the durability of present attitudes? One of their chief causes obviously is the impact the war had on the minds of Germans. A certain amount of anti-war sentiment and even pacifism is a common result of military defeat. It took German nationalists and Nazis some time to overcome similar feelings after World War I. It is only natural to harbor doubts about the strength and stability of today's attitudes, and they are raised sometimes by officials themselves, who feel that present moderation or "prudence" might give way to greater ambitions if Germany's weight in the power balance should increase again. On the other hand, one senses a certain difference between the firmness of anti-totalitarianism on the domestic plane and that of anti-adventurism in foreign affairs. Compared with the former, the latter seems more firmly rooted in feelings and not only in reflection. One reason may be that, while the Nazi system in its domestic aspects and policies adversely affected relatively few Germans, it was different with the foreign policies of the regime. It is true that many Germans refuse to this day to accept responsibility for an aggressive war or even to hold the Nazis responsible for it. The fact remains, however, that here was the first war in more than a hundred years which was carried to German soil (and air-space), with the devastating effect of which the average German is still reminded by the ruins of his cities. Its impact, combined with apprehension of atomic warfare, may be more lasting than either that of World War I or of the domestic aspects of the Nazi regime.

V

How do these officials envisage Germany's role as a power among powers? Despite an inclination to become "inconspicuous" and, as a nation, too, to retreat into privacy, so to speak, most of them, regretfully or otherwise, concede that Germany constitutes, or will presently constitute, a major power-element again. Few would indicate that they regard Germany as a country which, actually or potentially, could or should claim first

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rank among the powers; they acknowledge that first-rank status in the world has passed to the United States and the Soviet Union. Consequently, Germany can play her role only in alignment with other powers, and especially in cooperation with the West. Even those who plead for a policy of greater aloofness (unless they are neutralists) do so for a period of transition only. Advocacy of a "going-it-alone" policy to enable Germany eventually to choose between an Eastern and a Western orientation (i.e., to line up with the highest bidder) is rare among civil servants; most of them believe that "there can be no new Rapallo." But while they concede leadership in the Western camp to the United States, they do not envisage a subordinate role for Germany; rather, they wish Germany to be considered senior among the second-string powers. These would thus be ranged as follows: the United States and the Soviet Union are superior or "super" powers; Britain with the Commonwealth usually is still (though somewhat reluctantly) admitted equal status with Germany; France is despised as an inferior power; others, like Italy, are hardly worth mentioning.[6]

In their attitude toward the Soviet Union, German officials show both contempt and respect: contempt for a different and "inferior" civilization, which allegedly is not on a par with the one Germany belongs to—the "West," the "Occident" (*Abendland*); and respect for Soviet power—above all, military power—and especially for the fighting capacity and stamina of the Russian soldier. His "unbelievable" capacity to bear hardship is something the Germans are anxious to impress on Americans, who, so they feel, are liable to underestimate Soviet military power and potential. Therefore, even Germans with a Western orientation consider almost anything short of Communist control preferable to an all-out war with Russia: a continuing cold war, unending negotiations, even the conclusion of agreements (which, "with Russians," do not have to be made in good faith).

Fear of the Russian colossus has made many Germans accept the idea of closer ties with the West—in particular, "European integration." The meaning of the latter term is usually somewhat

[6] As for countries such as China or Japan, the German usually forgets them; in their discussions of international affairs, Germans are entirely ego- (i.e., Germano- or Europe-) centered.

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blurred, however. With the exception of its military aspect (EDC, about which there are many doubts and hesitancies), German officials give the impression of not quite knowing what it implies. They approve of closer understanding through travel, cultural exchange, etc., but they are also critical of "professional Europeans" with a "vested interest" in "Europeanism" and the jobs and "junkets" it provides. They hesitate to give up too large an amount of "national sovereignty" so long as they do not know how far the "other fellow"—i.e., the Frenchman— is ready to go on this road. There is general emphasis on the outdatedness of old-style nationalism and its insistence on "sovereignty." But what replaces it is hardly internationalism, but rather an unemotional regionalism to which some features of previous nationalism are being transferred: it is now "Germany in Western Europe" whose interests are to be defended. At best, this implies readiness to cooperate and respect the interests of others; but it may also presage mere nationalism on a higher level, similar to what happened after 1871, when individual loyalties to the German principalities were merged in a new national allegiance to Prussia-led Germany. France, in that event, might be relegated to the role of a "European Bavaria."

German feelings toward France are ambivalent. Hatred of France has vanished. Considering France the "hereditary enemy" of Germany seems as outmoded as are the "black-white-red" colors of the Empire under which that attitude prevailed. It would make sense only if France were still considered a major power with which Germans had to contend. One does not hate whom one despises. For France as a power is discounted. After their experience of 1940, Germans apparently cannot get themselves to believe in any revival of French military power. Politically, they consider France as "degenerate," unpredictable, a doubtful ally or member of a regional organization for defense or any other purpose. Economically, the French are "too easy-going," they "just do not work hard enough." Thus, in addition to her military defeat in 1940, the chief cause for German contempt of France as a power is her economic weakness and general inefficiency. To a German official, idolizer of efficiency, the French are exasperating. For there is sincerity in an ever-repeated

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sentiment of liking the French and things French, much admiration for French culture and taste, a feeling that the German has much in common with the way of life of the average Frenchman and the average French family. One official nostalgically dwelt on how he had felt at ease and almost at home in a little French place where he had been military commander during the war, and how he would love to visit it again. But the German official is a little disturbed because the French do not seem fully to reciprocate present German advances. It is a case of love unrequited, and Germans know it and feel a little hurt. But this has not yet dampened their ardor.

There is little of this kind of interest and emotional involvement in regard to Britain, almost as if there were a desire to reciprocate in this respect British aloofness, which finds its most striking expression in Germany in the British policy of "invisible occupation." Earlier adverse experience—e.g., with dismantling of plants, which was blamed primarily on the British and their alleged desire to injure a competitor—is pretty much forgotten by now. There is hardly a remnant of the Nazi-inspired hatred of England of the war period; but there is also little of the affection shown the French as persons. The British, more soberly, are considered as a nation still to be reckoned with, but there is confidence that Germans will outstrip them in due course and then rank first among European countries, especially in the eyes, and policies, of Americans.

America, to Germans, has long been of deep and abiding concern. To many, it was the country of freedom and equal opportunity, and, even to those who were doubtful about its political and social system, the technical achievements of its industrial civilization became a matter for admiration. Gradually, however, this mass civilization seemed to involve a threat to the cultural values of which Germans were proud. Thus many of them tend to identify the world-wide process of *Vermassung* with "Americanism," and since America has now entered Europe, physically and through its general influence, "Americanism" has become the problem of "Americanization."

The ambivalent attitude of Germans toward America is perhaps best reflected in a catalogue of criticisms most commonly

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voiced by civil servants. Criticism does not necessarily imply hostility or antipathy; rather, it often betrays an anxiety to warn or enlighten as a friend. Even those who hate America feel lost without it; according to one official, "The only thing worse than the presence of Americans in Germany would be their absence."

Although such criticisms often differ and sometimes are even contradictory, there is virtual unanimity on one point: the vagueness, inconsistency, and unpredictable nature of American policies. Knowing little about principles of United States foreign policy, and less about its process of policy-making, Germans feel at a loss to know where they stand. How far can a Germany that commits itself to a certain policy rely on continued American backing? Will Americans "fight to the last European"? What are their strategic plans for the defense of Europe? Are these plans liable to be changed at short notice? What about a new isolationism? But their anxiety is equally strong regarding an opposite tendency of American policy, its "warlike," "crusading" spirit, an alleged readiness too easily to consider "preventive war." A policy of "liberation," even though it might mean liberation of fellow-Germans, is advocated by a surprisingly small number of officials; the run-of-the-mill "unpolitical" civil servant, who would blame Americans for the presence of the Soviets "in the heart of Germany," would advocate no more than "containment."

In regard to occupation and occupation policies there is, as might be expected, a good deal of criticism, in particular on the part of local officials, arising out of what one may call the irreducible minimum of occupation friction. This would seem to be less important than criticism of occupation *policies*. Here, however, German officialdom is definitely divided in its views into the democratic, anti-Nazi "minority," and the "unpolitical" majority. While the latter group objects to almost everything in earlier American policies of "reeducation," democratization, denazification, etc., it expresses great satisfaction with the more recent change of United States policies in all these respects. Occasional objection is still being made to an alleged tendency to "relapse" into the earlier pattern, particularly to the "habit of dictating" to Germany instead of treating her as a partner and of giving undue preference to Britain or France; but generally

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the German official is happy that Americans have finally come to see the light. "Minority" officials, on the other hand, are profoundly apprehensive. Not only do they perceive a foreign-political danger in making a rearmed Germany the chief European ally of the United States; they are even more disturbed about the internal impact of a policy which, so they say, tends to encourage the militarist, ultra-nationalist, anti-democratic forces in Germany. Afraid that America is inclined now to subordinate all other considerations to foreign-political and military expediency, they assert that Americans are too little aware of how the sudden turn in policy affects the average German. Even those who gave earlier policies the benefit of the doubt now have come to believe that they never stemmed from principle or real conviction but, like the newer policies, were adopted for mere expediency; German democrats have thus been discredited.

Contradictory attitudes of this kind are now becoming somewhat secondary to a far-spread, almost universal concern with, or fear of, more radically "reactionary" American tendencies, totalitarian-Fascist trends generally referred to as "McCarthyism." Majority officials here join the others in their anxiety. Here and there, it is true, one encounters some malicious satisfaction in seeing the democratic "reeducator" in such a predicament, in being able to show him that Fascism was not an "ingrained" German trait. Generally, however, there is genuine fear of what American developments may portend. To a large extent, it may be fear of foreign-political complications, of adventures into which Germans would be drawn willy-nilly. But to a higher degree than many foreign observers may have been willing to concede, it also seems to reflect honest concern with the future of democracy or, rather, of constitutionalism and moderation in internal German developments. If officials in this respect are representative of more general opinion, Germans, while in the main not (or not yet) democrats in the Western sense, at least show strong distaste for any repetition of totalitarian experiments.

VI

If a composite picture reflecting the views of an "average" West German official can be drawn at all, it would perhaps look

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like this: Hesitant to commit himself to more specific views (more detailed application of broad principles should rather be left to Mr. Adenauer), his attitudes primarily express personal-interest considerations. He hesitates to advocate bolder policies for fear of the personal risks (to position, career, living standard) that they might involve. He stands, of course, for reunification, but opposes steps which might lead to complications or a change in present West German recovery. In the cold war situation, he stands for a policy of "muddling through," backed by the Western powers against untoward developments in the East. He somehow feels that the West owes him such protection, but is willing to have Germany pay for it by sharing in closer alignments, particularly with Western European countries. He is for participation in the Schuman Plan organization and, reluctantly, in a common defense system. While not opposing rearmament as such, he is suspicious of the old-style German military which he assumes will take over the reins of the German armed forces; he fears that this might lead Germany into adventurous foreign policies once more. While he would like to see Germany rank as a big power again—a rating he feels she deserves, owing to her location, her "miraculous" economic comeback, and the skills and cultural level of her people—he shrinks from advocating that she play the *role* of a big power, because of the risks this would involve. At present he even seems ready to forego making more than "for the record" claims regarding lost territories.[7]

Realizing that even as a big power Germany cannot compete with the United States or Russia, he tends to be suspicious of either country's aims. He would love to see Germany established as another Switzerland outside the sphere of big-power policies, and would embrace any kind of neutralism, pacifism, and the like, were it not for his realization that this is impossible under present circumstances. Thus, to his attitudes, traditional concepts of "nationalism," "pacifism," etc., hardly apply any longer. He is no old-fashioned nationalist; rather, he soberly favors a kind of supranational, regional spirit of a Western, or West European, or "Occidental" interest-community, a standing-to-

[7] Meaning those in the East. Present German nationalism, or irredentism, does not comprise Alsace-Lorraine or Austria any more.

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gether to face the East. By the same token, he is neither aggressively militaristic nor an "integral pacifist," but rather characterized by a resigned "defense-readiness" (*Wehrbereitschaft*). He is no longer (if he ever was) a racialist in the sense of German, or "Aryan," or "Nordic" supremacy, but neither is he willing to concede the equality of all races or nations. Rather, he believes in the superiority of the West, or Europe, over "Asia" (to which Russia belongs) and the rest of the world. But he does not, for this reason, favor power politics or "crusades." He would prefer to be left in peace and cultivate his garden, growing red tape.

This picture may disappoint those who expect from Germans more flamboyant attitudes. It may indeed represent no more than a passing mood. But it may also imply firmer acceptance of more pragmatic, sober views and standards in the place of romantic expectations and extremist goals, thus reflecting a kind of "Americanization" which has permeated German officialdom perhaps more than other groups in Germany. If so, it might yet turn out to be a boon to more moderate and peaceful developments in and of Germany. Here, as many officials point out, the time factor will play an important role. Much seems to depend on whether tendencies favoring peace and moderation, compromise and agreement (domestically and internationally), will be allowed a period of quiet growth. By the same token, should developments deny the new Germany that minimum period during which democratic institutions could grow into democratic habits, anti-democratic, authoritarian, militaristic forces might easily gain control again. Too hasty rearmament of Germany, disregarding the dangers it would imply for German democracy and German democrats, might have equally adverse effects; so might an economic depression. In that event, German bureaucracy least of all could be relied upon to offer resistance. Its pro-democratic elements would prove too weak to contain the tendency of the "non-politicals" to serve new masters, especially if these should enjoy the backing of America. Whatever its present views, the future attitudes of German officialdom, to no mean degree, will thus be determined by American policies.

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THE POLITICS OF TRADE UNION LEADERSHIP IN SOUTHERN ASIA

BY GEORGE E. LICHTBLAU

LABOR movements in areas of South Asia which are, or were until recently, under the control of British, French, or Dutch administrations have assumed considerable political, social, and economic importance despite the fact that industrialization and wage employment affect only a small segment of the population. As adjuncts of national movements they played a significant role in the struggle for independence; they have served the interests of the Communists and other dissident revolutionary groups; and they have participated in the tasks of economic reconstruction. In some areas, moreover, these labor organizations have exceeded in size not only existing political parties, but also other movements built on common occupational interests, such as peasant organizations. As a result, they have become a focal point for extra-parliamentary political activities.[1] Their importance in most South Asian countries is all the more surprising, considering that they are purely Western institutions characteristic of highly industrialized and occupationally stratified societies. Yet in South Asia these movements are thriving in predominantly agricultural societies, with an occupational stratification bearing little resemblance to that of industrialized countries.

Two questions are of particular interest for the student of international relations in connection with this phenomenon. First, what factors account for the rise of such a movement in these areas? Secondly, what political roles are the trade union leaders in the countries of South Asia tending to play?

In what follows, it is worth remembering that these countries have in common not only their struggle for independence from

[1] The Indian National Trade Union Congress (INTUC) and the Congress Party; the All-India Trade Union Congress and the Communist Party of India; the Hind Mazdoor Sabha and the Praja Socialist Party; the Trade Union Congress of Burma and the Anti-Fascist People's Freedom League (AFPFL); the Central Trade Union Federation of Indonesia (SOBSI) and the Partai Kommunis Indonesia; the Islamic Trade Union Federation of Indonesia (SBII) and the Masjumi Party; the General Confederation of Labor of Viet Nam (Tong Lau Doan) and the Lien Viet movement and the Lau Dong, or Workers' Party; the All-Pakistan Confederation of Labor and the Muslim League, etc.

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colonial rule, but also a leadership remarkably similar in outlook on future political and economic developments. They all face serious Communist opposition. They are preoccupied with the problem of trying to reconcile their predominantly urban outlook and desire for centralized political power and economic initiative with traditionalist regional, tribal, and rural-feudal elements which are trying to extricate themselves as much as possible from centralized control. However, because of differences in the relative size of their wage labor forces, in the status of their industrial development, in the intensity of their struggles for independence, the applicability of generalizations will vary with each country. And, because of the preoccupation of South Asian trade union leadership with political matters, general political attitudes and the emergence of national as well as trade union leadership in this area will be discussed in order to provide an understanding of the special role of organized labor.

I. Labor's Role in the Achievement of Independence

Chief among the factors favoring the growth of mass trade union movements in South Asia was the creation of a rapidly growing but still small urban proletariat, dependent for its livelihood on wage employment, and led by a highly volatile and intensely nationalistic educated group. This new intellectual class, which counted among its members many uprooted and often property-less university and high school students, felt that the policies of the colonial powers frustrated its aspirations to assume political responsibility and leadership. Thus a sharp dilemma presented itself to the colonial powers: on the one hand, they sought to promote the growth of the educated classes by providing the native peoples with Western academic training; on the other hand, they felt their control over the colonial areas increasingly threatened by the very people they had trained. As a measure of self-protection, they excluded most of this group from positions of leadership and trust and in this way promoted among these native intellectuals a kind of proletarian consciousness[2] which led them to seek revolutionary solutions to their

[2] This proletarian consciousness was produced by wide unemployment among the intellectuals, their exclusion from legitimate political activities, and their conception of the role of the working class in the future industrial development of their countries.

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problems. Consequently, when the colonial powers took sharp repressive measures, they often forced the anti-colonial nationalist leaders either into clandestine operations or into activities politically less objectionable to the colonial administrations, such as the organization of labor.[3]

Ideological influences, particularly that of Marxism on the nationalist movements, also helped colonial labor to gain increasing organizational importance. Control of organized labor not only gave the nationalist leaders the power to paralyze the economic life of the country, thereby weakening the hold of the colonial power (whose primary motive was considered to be economic exploitation); it also provided them with a disciplined following around which production could be reorganized and rapid industrialization started, once independence had been achieved. Thus trade unionism attracted to its leadership an important segment of the Western-educated native nationalists, who expected to attain through their new positions an upward social and political mobility otherwise denied them.

The workers, in turn, followed these intellectuals because they needed leaders who were articulate and sufficiently militant to voice their grievances and to impress both the government and their employers. Lack of education, inexperience in negotiation, and an apathy often born of poverty and malnutrition, which prevented the workers from acquiring the necessary skills, had made the rise of a leadership from the rank and file well-nigh impossible. Thus, in return for their advocacy of the workers' interests, the leaders gained effective political support. Ordinarily, relations between the rank and file and the leadership

[3] A clear example of this policy is the attitude of the Dutch East Indies administration to political parties and trade unions during the 1930's. Organization of nationalist trade unions was far less hazardous than other forms of political activity.

Labor legislation in both Burma and India not only provided trade union leaders with certain organizational advantages, but actually gave them political representation. In Burma, sharp repressive measures against the Thakin Party in 1939 led to the immediate outbreak of a series of strikes and the founding of the All-Burma Trade Union Congress. In India, this selective policy of favoring politically pliable trade unions and trade union leaders backfired after World War II. When the Congress Party started its "quit India" campaign in 1942, most Congress Party political and trade union leaders were arrested, while the Communists, who cooperated with the British in the war effort, were actually encouraged to capture the leadership of the All-India Trade Union Congress.

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were rather loose. However, when grievances mounted and tension increased, solidarity between the followers and the leaders became quite strong. The interests of both sides converged, and they identified their diverse grievances with the suppressed cause of nationalism.

Trade union activities were thus ideally suited to the purposes of the nationalists. Since trade unions had already been accepted as part and parcel of the economic structure of Western society, the metropolitan governments were restrained by their liberal economic outlook, as well as by socialist and trade union pressure at home, from permitting their colonial administrations to suppress organizations which were ostensibly economic in their objectives, provided these did not seriously threaten trade policies.[4]

Even when these nationalist trade unions resorted to political strikes and demonstrations, the colonial governments preferred to regulate and curtail their activities rather than to ban them outright, although they had no compunction about suppressing political groups which challenged their rule. The primary reasons for this tolerance of trade unions were the expectations that they would follow the development of Western labor movements, that this process could be speeded up by official guidance and encouragement, and that such native unions would through voluntary means instill orderly working habits in the colonial workers. Wage incentives were insufficient to keep workers on the job and the old paternalistic relation between employers and workers was being undermined by rising nationalist sentiment. Accordingly, colonial administrations frequently resorted to such coercive means of controlling workers as punitive labor legislation, special police, contract labor, etc., in order to maintain an orderly flow of production.[5] By the same token, however, this indifference

[4] The major exception was France, which prevented the formation of native trade unions in its colonial empire until after World War II. In the Philippines, the concept of national liberation from colonial powers did not develop to the same extent as in other South Asian countries because of the unique relation between the United States and the Philippines. No revolutionary liberation movement developed which required special organizational tools (other than the relatively small Huk movement). Thus the Philippine trade unions did not play a significant role in the nationalist movement.

[5] In this connection, it is significant that while wage increases provide little incentive to work harder, payments in kind and employer-furnished welfare services provide a paternalistic tie between employer and worker. When the bulk of wage remunerations

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to wage incentives and the high "disutility of labor" among native workers provided trade union leaders with a potent weapon in the struggle for independence, by making it relatively simple for them to disrupt the extractive economic process of the colony. For that matter, even today anything from a genuine grievance to a native holiday, such as the Muslim fasts during Ramadan, can still provide occasion for a strike. Therefore, in addition to enforcement measures directed at individuals, labor legislation offering both political and economic privileges to compliant trade unions, as well as strict governmental supervision of the activities of such unions, was considered an effective means of counteracting the resistance to industrial discipline among the native workers.

After World War II, which brought liberation from the Japanese as well as independence from colonial rule to most countries of the area, economic incentives were further weakened by strong inflationary trends,[6] while the means of physical coercion were lacking. Often nationalist and ideological appeals were the only inducements sufficiently strong to restore a semblance of working order to their economies. Accordingly, both colonial administrators and nationalist governments tried to use the trade unions to persuade the workers to accept a system of industrial working discipline.[7]

Even before the war, the colonial policy of permitting the formation of trade unions appears to have been based, at least

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is paid in cash, serious problems of economic choice present themselves to the inexperienced workers, thereby adding to their discontent with wage employment, which in most Oriental societies is stigmatized as a social status bordering on slavery.

Communist labor leaders are fully aware of the importance of this economic phenomenon. The stress which they place upon money wages in preference to full or partial wage payments in kind is intended to weaken further the workers' ties with their jobs and their employers, thereby facilitating the disruptive activities of Communist labor agitators. Although the primary emphasis on monetary incentives is intended to prepare the workers for the coming industrialization under socialism, it has backfired on several occasions in India, Indonesia, and Malaya, turning the discontent of the rank and file against the unions.

[6] See Ragnar Nurkse, *Problems of Capital Formation in Underdeveloped Countries*, Oxford, 1953, p. 17.

[7] Royal Commission on Labour in India, *Report of the Royal Commission on Labour in India, June 1931*, London, 1931, pp. 317-32. For Congress Party policy, see P. S. Narasimhan, "Labour Reforms in Contemporary India," *Pacific Affairs*, XXVI (March 1953), p. 46. For the attitude of the Indonesian nationalist movement toward labor in 1945, see Virginia Thompson, *Labor Problems in Southeast Asia*, New Haven, Conn., 1947, p. 255.

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in part, on some expectation that through them native oppositionist activities could be diverted from the government to the smaller target of private employers. Such conflicts were expected to be more easily resolved by *ad hoc* solutions, and thus reduce the over-all threat to both colonial and business interests. In fact, large national trade union federations were much more closely under the surveillance of the colonial police and intelligence services than were the smaller local independent organizations.[8]

As a result of governmental policies favoring the growth of trade unions, nationalist leaders were able to use them as valuable political and administrative training grounds. Such men, for instance, as Gandhi, Nehru, and even Patel in India,[9] Sjahrir and Salijm[10] in Indonesia, Thakin Mya and U Ba Swe[11] in Burma, and a large segment of the South Asian Communist leadership had been active in the labor movements of their countries. Following independence, nationalist leaders put the development of the trade union movement into the forefront of their activities because of its strategic importance.

II. Communist Leadership

It is precisely the appeal of Communism in underdeveloped areas that it assigns to the educated, but uprooted, *avant-garde* a key role in the transformation of a "colonial" agrarian society into an industrial one. Furthermore, Communism proposes to substitute drastic technical and organizational methods for the slow and often seemingly inefficient system of political checks and balances which was inherited from the colonial powers with the institution of parliamentary government. The promise of rapid industrialization and of a quick alteration of the social structure into an efficient, productive machine appears to ensure attain-

[8] Willard Galbraith, *Organized Labor in the Netherlands Indies: A Basic Labor Report*, U.S. Consulate, Batavia, December 15, 1941; also Thompson, *op.cit.*, p. 8.

[9] Richard L. Park, "Labor and Politics in India," *Far Eastern Survey*, XVIII (August 10, 1949), pp. 181ff.

[10] The Socialist Sutan Sjahrir was leader of the Central Labor Federation of Indonesia (Pusat Perserikatan Buruh Indonesia) from 1932 to 1934. For Haji Agus Salijm, see Anonymous, "Trade Unions in Indonesia," *Indonesian Review*, Djakarta, No. 7 (December 1950), pp. 6-10.

[11] Virginia Thompson and Richard Adloff, *The Left Wing in Southeast Asia*, New York, 1950, p. 250. For U Ba Swe, see *New Times of Burma*, Rangoon, December 17, 1950.

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ment of all the elements of Western superiority, i.e., Western technical proficiency. Finally, Communist belief in the inevitability of a proletarian victory seems to have a strong attraction for the Eastern mentality, which because of religious belief and temperament is intensely preoccupied with the concept of "fate."

Communism appears to offer means for the effective utilization of overabundant and hitherto wasted human resources in underdeveloped areas and claims the ability to create a modern industrial society without outside help. Russia and China are cited as examples of such promises come true. Claiming that conventional (i.e., Western) political and economic techniques are slow and inefficient, Communists seek to substitute for them the iron-clad political discipline of a small elite, through which they can eventually achieve power. Once power is seized, they can maintain control through the refined terrorist methods of the police state.

Nevertheless, despite the existence of revolutionary situations in most South Asian countries, the Communists have been unable to gain control in any area except Indochina, where their task was facilitated by special circumstances, such as acquisition of arms from the surrendering Japanese army, and military and political aid from the Kuomintang and later from the Chinese Communists. Moreover, in Indochina they had the psychological advantage of being the *de facto* native government, challenged by an outside "imperialist" force that was trying to make a comeback. In all other areas, the Communists have failed to achieve control of the government, and their attempted revolutions have degenerated into disruptive raiding tactics, strikes, political opposition, and encouragement of other dissident elements.[12]

However, by representing the existing native governments as camouflaged continuations of the old colonial system, the Com-

[12] Communist failure to gain mass support is particularly conspicuous among the peasants of Southern Asia, notwithstanding Mao Tze-tung's efforts to make a political appeal to rural elements. Attempts to gain large-scale rural support through peasant movements have never enjoyed more than temporary successes, despite Communist efforts to infiltrate traditional leadership positions in the villages and religious institutions, and to gain rural confidence by opposing—as, for instance, in Sumatra—the introduction of modern agricultural equipment and techniques in a government-operated resettlement project. The Communists have also attempted to bolster their cause by advocating land reforms and by aiding and encouraging tribal or regional irredentist movements.

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munists have appealed to those who are inclined to distrust the centralist policies of the nationalist governments, as well as to those who feel that social reforms have been far too slow. They claim that the colonial powers went through the pretense of surrendering sovereignty to the new governments in return for guarantees that their economic interests would be fully protected. Thus the newly independent countries are alleged to be, in effect, still subject to colonial exploitation.

By means of this rationale, Communist-controlled political and labor movements have also attracted a militant, politically disruptive element which, under the momentum of newly won independence and the process of industrialization, will challenge any constituted authority of either colonial or incumbent nationalist governments. This element feels that the government leaders are blatant opportunists who do not enjoy the support of the people but merely came to power by historical accident. They thus consider their own disruptive and oppositionist activities not only politically expedient but morally right. Furthermore, acquiescence to a social or economic *status quo* would necessarily curtail their political maneuverability and might permanently relegate them to secondary roles. This they consider hardly an acceptable alternative to imperialist oppression. Therefore, they prefer a climate of political and economic instability in which they can exploit widespread insecurity and dissatisfaction. Such leaders, although very useful to the Communists, are in the long run questionable allies.[13]

Mao Tze-tung, aware of this danger, has made an effort to forestall the purely negative disruptive aspects of the various Communist revolutions by directing the party's appeal not only to the workers and peasants, but also to the managerial and proprietary classes. Without the cooperation and the managerial skill of the formerly despised bourgeoisie, an industrialized "socialist" society would be difficult to achieve, and despite immediate tactical successes, a revolution would bog down. Mao, therefore,

[13] In this connection, it must be pointed out that disruptive and opportunistic elements are by no means exclusively characteristic of the Communist movement. They pervade other radical nationalist movements, particularly xenophobic splinter groups organized on a religious basis, such as the Muslim Brotherhood, Ahrar-e-Islam in Pakistan, Darul Islam in Indonesia, and Mahasabha and RSSS in India.

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has assigned to the middle class (i.e., the "national" and "petty" bourgeoisie) not merely transitory roles, but an important long-range function in the Communist scheme of things. In countries not under Communist control, where members of the middle class might be reluctant to associate themselves with the Communist movement, they are to be enlisted in national front organizations that are not as closely associated in popular opinion with the interests of Soviet imperialism as is the Communist Party. Among these front organizations, labor unions are of strategic importance in that they give Communist activities the appearance of democratic respectability.

Both from a tactical and from an ideological point of view, Communists have found the trade unions very useful tools in challenging first the colonial powers, later the Japanese occupation authorities, and now the new and still shaky nationalist governments. They anticipate that strikes, militant demonstrations, the undermining of traditional paternalistic relations between employers and workers, and the exploitation of discontent and grievances will promote class consciousness among the workers and thus make possible a Communist mass uprising at some future date.

Experience has shown that while the instigation of strikes and demonstrations meets with considerable success, largely because an industrial pattern of life still works considerable hardship on people not accustomed to the rigorous discipline imposed by factory jobs, Communist (as well as non-Communist) unions, despite their impressive size, fail to retain the loyalty of their members. When Communist unions rigorously follow unpopular dictates of the party line,[14] as from time to time they do, they tend to fall apart, leaving little feeling of workers' solidarity behind. Instead, other loyalties—to the family, the village, the tribe, the church, and the nation—prevail. Nevertheless, it is the appeal of direct action as such, with its apparent solution to the

[14] For a recent example, see *New York Times*, April 26, 1953, "Reds in Indonesia Start Wage Drive"; also *ibid.*, October 11, 1953, "Indonesia Reds' Rift Breaks out in Open." This rift appears to have broken out over a no-strike pledge given by the Communist-dominated SOBSI trade union federation in October 1952 at a National Congress in connection with Communist support of the government. Recently this pledge was rescinded by the Indonesian Communists because it had led to severe losses in trade union membership.

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largely insoluble problem of misery and poverty among the workers and its promise of ultimate stability, that drives people to rebel and accounts for the elusive attraction of Communist unions.[15] In the face of great hardships and the absence of other protective devices, the workers often tend to follow the most militant leadership in the hope that its daring tactics will effectively impress both the employers and the authorities. Furthermore, Communist militancy affords the workers an occasion to inflict punishment and injury with a large degree of impunity on the most apparent source of their misery, while the leaders eagerly assume responsibility for the consequences of the actions of the workers.

III. Non-Communist Leadership

Political and trade union development in South Asian countries has given rise to two groups of non-Communist leaders who can maintain through their personal influence a precarious balance of law and order. One of these groups consists of leaders whose authority is local and based on native traditions; the other is the democratic leadership which seeks to maintain to a certain degree the political, administrative, and even the ideological framework left by the Western colonial powers.

The influence of the traditional leaders is strongest among the peasants, native handicraft artisans, and agricultural workers. These leaders come from the feudal, aristocratic landholders, the

[15] Except for the select small cadres that make up the Communist trade union leadership, there is little disciplined rank-and-file participation in union affairs. Also lacking is the coherence of Western trade unions, in which, even when the members are inactive, there is at least a strong vested interest in union membership as such. In this connection, it may be of some interest to note that the Communist unions of India and Indonesia—and presumably elsewhere in South Asia—do not stress in their programs literacy campaigns or general workers' education, two prerequisites for the creation of a planned society, and two extremely important factors in promoting both national and trade union consciousness. This may be due to a lack of funds and teachers, which forces the Communists to concentrate on leadership. On the other hand, this neglect of workers' education is not in evidence in the Viet Minh area or in Communist China, where there must be an even greater shortage of teachers and leaders. In these areas, the trade unions are very actively engaged in such literacy campaigns. In areas where the Communists have failed to gain control, their unions concentrate on the creation of professional trade union cadres, which provide the Communists with additional power to disrupt their country's economy. In view of the traditional role that labor education plays in the programs of Western labor and socialist movements, which are often the prototypes of colonial trade unions, this omission would appear to be deliberate, pointing up more clearly the disruptive aspect of Communist union activities.

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village headmen, tribal chieftains, and heads of guilds. They include a type of foremen, such as the *cays* in Indochina, the *sardars* in India, or the stevedore bosses in Far Eastern ports, who hire out not only their own services, but also those of a gang of workers whom they control. They seldom assume the role of trade union leaders, as this term is understood in the West, because they are little concerned with the protection of the workers and even participate in their exploitation. Nevertheless, they constitute a native labor leadership which facilitates the supply of labor and imposes upon the people whom they control a social stability that is highly effective (although perhaps excessively harsh). Under special circumstances, new labor legislation or the political situation of the country has made it profitable for these traditional leaders to establish formal trade unions—as, for instance, the Bangkok *Samlor* (Pedicab) Drivers' Union, which was organized among ex-soldiers by former army generals who control all *samlors* in the city and prevent all non-veterans from operating such conveyances. In Malaya a union of fishermen, under the leadership of a tribal chieftain, exercises sweeping controls over fishermen, fishing boats, and fishing rights. On occasion—as, for instance, in Sumatra—a member of the aristocracy has used the influence of his name to organize a union of estate laborers[16] in competition with Communist plantation workers' unions. Such a leader, however, appears to be motivated as much by local political considerations as by his interests in trade unionism.

Despite the frequent ruthlessness of these traditional leaders, their hold on the workers is quite strong, based as it is on the importance attached to rank and hierarchy in most Oriental societies.[17] The workers under their control have predominantly rural backgrounds and are accustomed to a society closely regulated by tradition. In the new environment of factory or plantation, they find themselves overwhelmed by the need to plan their own life and livelihood and become only too eager to delegate

[16] Persatuan Buruh Perkebunan Republik Indonesia, or Association of Estate Workers of the Republic of Indonesia.

[17] In order to reinforce their control over the workers, the traditional leaders often resort to such means as indebtedness, control of the supply of widely used narcotics, and threats of physical violence. See Bruno Lasker, *Human Bondage in Southeast Asia*, Chapel Hill, N.C., 1950, pp. 102-4.

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responsibility, even of the most personal nature, to their leaders. Sometimes this relationship, complicated by the political situation, becomes so burdensome to the workers as to lead to disturbances, usually localized, which seriously threaten the position of the leaders. However, in the absence of interference from the national authorities, the prestige and influence of the traditional leaders tend to reassert themselves. Despite its abuses, local traditional authority is preferred by the workers to the unknown and untried authority of the national government, making the traditional leader an important stabilizing element not only in South Asia, but throughout the Far and Middle East.[18]

The second and perhaps more important group is composed of the Western-oriented democratic leaders.[19] They represent the urban population, which dominates the political and economic life of these newly independent states of South Asia. Furthermore, they are the leaders with whom foreign nations, Western employers, and international trade union leaders have to deal. These leaders usually received a Western education and were prominent in the revolutionary nationalist independence movements until the end of the colonial administration. Unlike the Communists, however, this group of leaders dropped its revolutionary attitude after independence and showed itself willing to operate within the framework of the new nationalist governments, whether it was directly associated with them or not.

Many of these leaders actively engaged in underground activities during the Japanese occupation, while some gained their first major political and administrative experience by collaborating with the Japanese. Others, although opposed to colonialism, were willing to accept limited cooperation with the colonial administrations. They saw that the social and economic ills of their countries were not exclusively the fault of the imperialist

[18] Recognition that in Oriental society the concepts of humanism and of individual welfare are almost completely lacking tends to shock Western sensibilities. This factor is important, however, because it explains why many Asians are not repelled by the cruelties of the Communist system. Furthermore, it should be remembered that the methods applied in Europe in creating an industrial labor force and an urban proletariat were probably more cruel and ruthless, because they were used on a more extensive scale than those applied in the Orient. For a discussion of the conflict between Marxism and traditionalism, see Paul Mus, *Viet Nam, Sociologie d'une Guerre*, Paris, 1952, pp. 248-67.

[19] This term does not refer to the leaders' position in the East-West struggle.

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nations, and that independence *per se* would not rectify all of them. They also knew that any solution of these problems would depend on retaining the continued interest of the former colonial powers and of the industrial West in general, as well as on making aid and investment from these sources palatable to their own people. They regarded nationalism as a vital constructive force which could be used not only to maintain law and order, but also to overcome the difficult problems of labor discipline; yet they also recognized the threat implicit in its more extreme manifestations.

This, however, does not mean that these Western-oriented leaders are free from prejudices against the former colonial countries under whose administrations many of them suffered jail sentences, enforced exile, and other personal humiliations. They are interested in finding their own way toward a planned economy which, according to their expectations, would avoid both the oppression of totalitarian Communism and the insecurity born of fluctuations in the world market. They are reluctant to make exclusive political commitments to the West, because this would upset the precarious political balance in their countries at large. In some areas—as, for instance, in Indonesia—such involvement would undermine their control of the non-Communist labor movement, inflame anti-imperialist hotheads, and thereby encourage the pro-Communist elements. Involvement of their countries in a war, these leaders feel, would not only increase the possibility of intense civil strife, but would in the end—whether by conquest or indebtedness—bring their countries under the subjugation of either the Eastern or the Western power bloc. This would mean the end of all national hopes and aspirations.

Despite their cautious neutrality, however, they prefer Western democratic institutions, and a continuation of the political and administrative system set up by the former colonial powers, to a "peoples' democratic system." While they are ardent nationalists themselves, they are aware of the danger of extreme nationalism, which easily passes from constructive collectivism to lawlessness and destruction.[20] Despite their policy of neutrality, they

[20] L. N. Palar, "Nationalism—Friend or Foe of Democracy?", *Indonesian Affairs*, II, No. 3 (June-July 1952), pp. 24-28.

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know that continuity with the West offers the only chance of stabilizing the political and economic situation of their countries.

It is this group of Western-oriented leaders which started the trade union movement in most South Asian countries. Some of these labor movements were quickly taken over by Communists prior to or during World War II and rival non-Communist unions were relegated to secondary positions. However, with the achievement of independence, the non-Communist leaders by and large were more successful in attracting followers among the workers, because they were closely associated with the new source of political power and thus could exercise their influence on both the government and the employers. The power relations between trade union leadership and the rank and file, in turn, followed closely the traditional pattern of patronage, even in the modern forms of labor organizations, and was closely related to the labor policy of the new regimes.[21]

After independence, the democratic leaders started to transform their non-Communist unions from political instruments intended for use against the colonial powers into somewhat more pliable movements which could be used to build up the economy of their countries. On occasion these democratic union leaders have encouraged their organizations to resort to acts of violence, partly because of their own past political experience, partly because of rank-and-file pressure for such tactics, and not least because of Communist competition. Nevertheless, in India, Pakistan, and to a lesser extent in Indonesia, Burma, Ceylon, and the Philippines, they have succeeded in building up a moderate and by and large politically responsible labor movement, even in the face of severe Communist rivalry.

[21] Both INTUC and the Trade Union Congress of Burma enjoy considerable advantages over rival unions because of their close link with the Congress Party and AFPFL respectively. In this connection, it is of interest to note that the success of the largest Communist trade union of the area, i.e., SOBSI in Indonesia, can be explained at least in part by the fact that the government's Ministry of Labor is continually favoring that organization, even when the government has elsewhere cracked down on Communists. Since attainment of independence in 1949, the government has used SOBSI for the realization of its labor policies and has constantly favored it in labor legislation and arbitration decisions. Only for a brief time in 1951 did the government proceed against Communist strikes and labor agitation.

The rise of the one other major Communist union of the area, the All-India Trade Union Congress, was also linked with the favored treatment it received from the British India government during the war. Since India's achievement of independence, it has steadily lost influence and membership.

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Because of the usefulness of such trade union movements, the parties in power, as well as other moderate democratic parties of most South Asian countries, have undertaken to ensure support for themselves from these movements by furnishing them with leadership and financial aid, and by favoritism in wage decisions and social legislation. In this way they hope to facilitate the realization of their economic plans and to speed up industrial development. Such tactics, however, engender several political problems affecting both the future development of the labor organizations and relations between the leadership and the rank and file.

The adjustments required by the shift from traditional, feudal, hierarchical relations in the village to the discipline of industrial employment are quite drastic. The passive attitude of the workers to such changes often tempts the leaders to take short cuts toward their objectives without reference to the interests of the workers, as, for instance, in the setting of wage rates in government-operated enterprises. The propensity of the Oriental workers to delegate even the most personal responsibilities to leaders who have assumed their positions from above rather than by any democratic process is an invitation to these leaders to direct the workers either by autocratic-paternalistic means or by force, often in conjunction with law enforcement agencies or with the connivance of the labor inspectorate.[22] Both methods are convenient and get immediate results; and even the most idealistic leaders tend to become impatient and yield to the temptation of their efficacy. The danger lies in the habit-forming nature of such tactics. Furthermore, the anti-democratic forces are much more ruthless in the application of such methods and may in the end have the advantage over the democratic forces.

There is also a tendency for the democratic leadership, which looks upon itself as a new elite, to resort to autocratic measures, making it hardly distinguishable from traditional forms of leadership, except perhaps in its professed ultimate objectives. This tendency has already manifested itself, particularly in the new

[22] Government aid is most often invoked in the elimination of rival unions, but also in the acceptance of working conditions or sending workers back to work when this entailed a political advantage to the leaders.

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nationalist civil services of several South Asian countries. Even such men as Nehru, Sukarno, Hatta, and U Nu, prototypes of Asian democratic leadership, have on occasion resorted to strong autocratic methods in order to quiet the opposition.

Further problems derive from the political ambitions of this type of trade union leadership. In all too many cases, these leaders consider trade union leadership as a steppingstone to national politics. Even after World War II, the trade union movement remained attractive to the lower echelon of political leaders as a means of gaining political support for their parties, of providing leadership training to promising young men, and of satisfying the political ambitions of men outside the major parties.

While it would seem neither possible nor practical for trade unions in South Asia to be independent of or inactive in politics, their role as a training ground for political leaders and their frequent domination by political parties may make their future development unduly hazardous in view of the fluctuations of political fortunes in the area. Moreover, the development of trade unions as organizations primarily intended to protect the workers' interests may be obscured by the eagerness of zealous young reformers to bring about a developed industrial society which would quickly react to economic incentives provided by governmental planners. A large proportion of the labor leadership already occupies management and high civil service positions.[23] Such leaders may become impatient with the resistance of that large segment of the labor force with strong rural traditions to the disruptions caused by the process of industrialization and the difficulties created by the co-existence of money and barter economies. This impatience of the Western-oriented urban nationalist leaders with rural traditionalism[24] is not restricted to trade unionism; it is a serious problem affecting all nationalist movements. There is, therefore, a distinct possibility that even Western-oriented labor leaders, particularly in view

[23] U.S. Department of Labor, *Point Four Training Project for the Indonesian Labor Group, September 1952 to March 1953*, Washington, D.C., n.d., pp. 2-6.

[24] This attitude has its counterpart in Western society, where the urban population holds the farmer in contempt. See J. H. Boeke, *The Interests of the Voiceless Far East*, Leiden, University of Leiden, 1948.

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of their strong political ambitions, may be tempted to subvert the purposes of trade unions in order to achieve centralized direction and control over the industrial working force in the interest of more rapid economic development.

This possibility is further strengthened by legal provisions—as, for instance, in Malaya and Viet Nam[25]—which require trade union leaders to have had from three to five years of working experience in their specific industry. Such legislation may further speed up the trend among non-Communist labor movements toward either government-controlled or company unions, since leadership developed from the rank and file is lacking and unlikely to arise in the near future, leaving the field open to management and civil servants. Thus the Western-oriented democratic leadership manifests an ambivalence in which its professed attachment to the political and social principles of parliamentary democracy and constitutional government may yet be sacrificed to an intense drive for industrialization.

IV. Conclusions

Because of the control of the trade union rank and file from above, whether by government officials, political leaders, or employers, the governments of South Asia exhibit a tendency to protect the workers through extensive social legislation (which is often difficult to enforce) rather than to permit them to develop independently their own protective devices. The leaders continue to use the trade unions for the furtherance of their own economic and political aims. So long as workers fail to develop a real class or group consciousness under a bona-fide labor leadership which can articulate their enlightened self-interest, the South Asian labor movement will thus remain a political tool inadequate to protect the workers against the social and political hazards of rapid industrialization in economically underdeveloped areas.

It is questionable whether the promotion of such independence among the organized workers can be expected from even the most enlightened and progressive government. This

[25] Federation of Malaya, *Annual Report of the Labor Department for the Year 1948*, p. 34; and *Journal Officiel du Viet-Nam*, November 1952, p. 1,686.

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absence of an enterprising spirit which could give the trade unions an independent existence and enable them to create their own protective devices opens up a problem far beyond the limited field of trade union development in Southern Asia—i.e., the general inclination to rely on governmental or other leadership to provide political, economic, and social initiative in the absence of well-formed public opinion and of effective two-way communication between the leadership and the people.

In Western industrial development, the trade union movement has provided both an effective defensive weapon for the workers and a safety-valve for the release of social and political tensions. In South Asia, however, trade unions, organized primarily as political weapons by political leadership from above, have largely failed to develop the necessary protective devices for workers. Strike calls, while providing temporary emotional release, seldom lead to solutions of the workers' problems, which require not only economic but also social changes of greater magnitude than any single employer could provide. Thus the dependence of the workers on intellectual spokesmen whose political outlook transcends the limited field of the defense of labor interests poses a serious problem. The only possibility for the development of a strong labor movement in South Asia lies in the hope that it will assume more solid institutional forms, and that a permanent trade union bureaucracy will then develop which will identify its own interests not so much with any political party as with the strength and advancement of its own movement.

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Review Articles

DIPLOMACY IN THE INTERWAR PERIOD

BY SIR LEWIS NAMIER

Gordon A. Craig and Felix Gilbert, eds., *The Diplomats, 1919-1939*, Princeton, N.J., Princeton University Press, 1953, 700 pp. $9.00.

I

THE decline in the position and influence of Foreign Ministers and their staffs at the center, and of their representatives abroad, is the central theme which runs through this collection of essays on the diplomatic services during the interwar period. In Great Britain "before 1914," writes Professor Craig, "the right of the Foreign Secretary and the permanent officials of the Foreign Office to consider themselves as the chief advisors of the Cabinet in matters of foreign policy was never seriously questioned." But after the First World War "Foreign Office advice was frequently ignored," and policies were "adopted by the Prime Minister which ran counter to those advocated by the Foreign Secretary and his staff": important negotiations were taken over by political leaders and their agents, who lacked the necessary training and experience, and this although "the British foreign service in 1919 compared favorably with that of any other country in Europe." "The precedents had been established. In the 1930's . . . they were to be improved upon, first by Ramsay MacDonald and later, and more disastrously, by Neville Chamberlain." Those later developments are only touched upon in a chapter by Professor Gilbert: how Chamberlain (with none of Lloyd George's genius, but even more distrustful of the diplomatic service) would constantly employ emissaries of a very unsuitable kind, and through his confidants maintain "close relations with the German and Italian Ambassadors in London," behind the back of the Foreign Office. At Munich, the chiefs of the other three governments were accompanied by representatives of their Foreign Offices, but Chamberlain only by Sir Horace Wilson, as unversed as he was himself in international affairs. That nadir of British diplomatic history is not discussed in the book.

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"The French Foreign Office," writes Professor Challener, ". . . emerged from the first world war and the Peace Conference with its prestige undimmed"; "the vast majority of top diplomatic positions in the French foreign service were held by career men"; and during the seven years of Briand's reign at the Quai d'Orsay, 1925-1932, there was close collaboration between him and its Secretary General, Philippe Berthelot. The fact that the French nation, in its vulnerable and precarious position, at all times paid attention to foreign policy, upholding its basic traditions, and that the Prime Minister himself frequently held the Foreign Office, added to its strength. Yet there is another side to the picture. At the Paris Conference Berthelot was passed over by Clemenceau, who "preferred to run his own show"; and for the same reason the post of Secretary General was left vacant during the thirty months of Poincaré's tenure of the Foreign Office. Nor was Berthelot's regime synonymous with that of the service as such: he had not served outside the Quai d'Orsay since the early years of the century, but, with a group of other *fonctionnaires trop sédentaires,* is alleged to have stood between the Ministers and their representatives abroad; similarly his successor, Alexis Léger, after a few years in China, spent the rest of his professional life at the Quai d'Orsay. And when the slide toward appeasement started in French policy, Léger, and with him the Quai d'Orsay, were, as is shown by Miss Cameron, short-circuited by their political chiefs: "he had no idea of the extent of Laval's private concessions to Mussolini"; in London, after the remilitarization of the Rhineland, he was "locked out of the decisive conversations," while Flandin "followed the *politique de complaisance*"; and under Bonnet, in March 1939, Léger found himself "surrounded with reticence."

German diplomacy during the interwar period is dealt with in two essays by Professor Hajo Holborn and Professor Craig. In the 1920's, writes Holborn, the regular diplomats "radiated considerable ill-will toward a republican foreign policy," and Ebert at first insisted on Germany being "represented in eminent diplomatic posts by men who had made their career outside of the German bureaucracy." None was a failure; and most of them, especially the three Socialist Ministers, proved "unusually effec-

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tive diplomats." Yet after 1923 "the restoration of the German professional diplomat was fully achieved," and under Stresemann it was the old guard who dealt with the Western Powers. In relations with Eastern Europe the Foreign Office had a competitor, or rather a pacemaker, in the German army: Seeckt started collaboration with the Soviet government; the Wilhelmstrasse followed suit and concluded the Rapallo agreement, well received by German public opinion as a defiant gesture toward the Western Powers. Nor was that attitude changed by Locarno: in the "first marked sally of Nazi foreign policy," over the disarmament conference, "the Foreign Office and the Führer were at one"—Neurath and Bülow, representatives of the old diplomatic service, enthusiastically greeted Germany's break with the Geneva system. In fact, Hitler had his forerunners in the diplomats of the Weimar era; but Holborn, while criticizing the German campaign over the "war-guilt" clause, omits to add how much the German Foreign Office, with its *Schuldreferat*, was behind it, nor does he mention its concern with the *Auslandsdeutsche*. In ultimate aims there was little to choose between the "good Germans" and the Nazis; the difference was mainly in tactics and boldness (or rashness): the hesitations or apprehensions of the career diplomats, just as those of the professional soldiers, made Hitler turn elsewhere for advice. "The Foreign Office," writes Craig, "was entering an era in which its formerly proud position was to be systematically destroyed . . . and . . . the Wilhelmstrasse was to be degraded to the role of a mere 'technical apparatus,' to carry out decisions in the formulation of which its staff had had no share."

In the very first year of the Nazi regime Goebbels "annexed most of the staff and the duties of the press section of the Foreign Office." Next, Ribbentrop established his *Büro* in competition with the official Wilhelmstrasse, and as Special Ambassador negotiated the naval agreement with Great Britain. In 1934, von Papen made his acceptance of the Vienna Embassy conditional upon being "free from the jurisdiction of the Foreign Office but . . . responsible to Hitler alone."[1] Further, fifth-column opera-

[1] Craig here quotes from Papen's *Memoirs*. But Papen further relates how in 1936 he was saddled with a Counsellor, von Stein, "an ardent Nazi" who negotiated on his own

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tions were entrusted to the *Auslandsorganisation*, which started to make policy on its own. And when Ribbentrop, placed at the head of the Foreign Office, set out to win back for it ground lost to other departments so as to secure its institutional survival, it was "a survival without meaning," for policy was to be the exclusive concern of Hitler and himself, while the Foreign Office became "little more than a stenographic bureau": this at least was the line of defense adopted by its officials after the war.

Italian diplomacy during the interwar period is discussed in two essays by Professors H. Stuart Hughes and Felix Gilbert. There was a conflict between the traditional policy of Italy "of slow and patient negotiation toward modest goals and the new [Fascist] program of vast ambitions and quick results." But to begin with, the differences were largely "a matter of vocabulary." "Throughout the first decade of Fascist rule, most of the ambassadors continued to be men of the old type, career diplomats and frequently aristocrats." Even Dino Grandi, "one of the tough young men of the Fascist movement," when appointed Under-Secretary of the Foreign Office soon came to side with the professional diplomats. Mussolini himself was satisfied with small and cheap triumphs which could be boosted at home: his expansionism was as yet cautious even if his language was not. When in May 1930, Grandi, now Foreign Minister, protested against some inflammatory speeches, "What does it matter what I say to my crowds?" asked Mussolini. "Why do you think I made you Foreign Minister except to be able to talk here exactly as I please!" But after 1931 revisionism became a dominant element in Mussolini's foreign policy: in response to pre-Nazi German revisionism. In 1936 Ciano, who as Minister of Propaganda had accused the diplomats of pusillanimity and betrayal of the heroic spirit of the regime, became head of the Foreign Office; and a year later boasted that it was "the most Fascist" ministry in Italy. Without great changes in personnel, something had changed in

with the Austrian Nazis and reported direct to the Wilhelmstrasse. Papen refers in particular to one memorandum: "Its contents have only come to my notice since the war, as part of the collection of German Foreign Office documents published by the Stationery Office in London." A fine alibi—but in fact there is among the German documents a covering note from Papen forwarding that memorandum and commending it as valuable support for a *démarche* of his own. Given due care and caution, German balloons can usually be pricked.

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the atmosphere of the Office—"the clockwork was broken." The officials no longer knew what was going on, for all the important work was done in Ciano's "Gabinetto," which assumed control over the distribution of incoming information. Decisions were now made from above; "the Ministry existed only to obey," while ambassadors were poorly informed or briefed. "Ciano liked to work outside the regular diplomatic channels. At important embassies he had confidants"; he also employed special emissaries, and "cultivated the method of direct meetings with foreign statesmen." The *tono fascista* in Italian diplomacy pointed to an alliance with Hitler, and the belief that Mussolini could still be deflected from it was a fatal delusion fostered in London by the British Ambassador in Rome, Lord Perth, whom Professor Gilbert describes as "one of Britain's most successful and experienced diplomats"—a statement which hardly does justice to British diplomacy.

Soviet diplomacy is discussed in two chapters on Chicherin and Litvinov by Mr. T. H. von Laue and Professor H. L. Roberts. The Soviet government started by abolishing diplomacy: they would address themselves to the peoples rather than negotiate with governments which they meant to overthrow. And though in fact things were to develop along very different lines, the Foreign Office and its representatives never again attained real weight or any degree of independence. At the slightest pretext the Politburo would deal with matters within the jurisdiction of the Foreign Office; Chicherin, who held it from 1918 till 1930, ranked low in the Communist Party and "could not expect to be heard in the inner councils"; he rarely dared to assert himself—both at home and abroad the Foreign Office suffered from the competition of the Comintern and the secret police, powerfully represented in the Politburo. Litvinov, an old Bolshevik, was introduced into the Office to watch over his chief, before replacing him. But "the post of the People's Commissar for Foreign Affairs did not, in itself, carry a great deal of weight in the Soviet system," and Litvinov himself did not rank high in the party. "Indeed, late in his career he is reported as remarking rather sourly: 'You know what I am. I merely hand

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on diplomatic documents.' " The Soviet system and its aims are hardly compatible with any degree of diplomatic autonomy.

The chapters on American diplomacy are of special interest to European readers. The subject is treated in Professor Perkins' chapter on "The Department of State and American Public Opinion," and in sketches of three American Ambassadors: Dodd by F. L. Ford, and Bullitt and Kennedy by William W. Kaufmann. Perkins starts by declaring that "American diplomatic action has been determined by the people," that "the general sentiment of the people lies at the root of every great issue," and that Presidents "have been powerless to withstand these deep-seated feelings." But are things different in Great Britain or France? And had not Hitler or Mussolini popular feeling behind them? More distinctive is the fact that, conditioned by the nature of the American Constitution, in the United States the balance of influence "is always tipping, . . . now to the executive, now to the legislature, and rarely to the professional diplomat"; and that "no definite and fixed role can be assigned" to the Secretary of State. The uncertainty of harmony between executive and legislature, the power of Congressional Committees, and the non-parliamentary position of the Secretary of State account for some basic differences in the conduct of foreign affairs in the United States and in Great Britain; and in the absence of a deeper integration of the governing bodies, the personality of the President or the Secretary of State is apt to count for more than that of Parliamentary Ministers. American diplomacy in the interwar period was dominated by the dogma of freedom of action—aloof and ineffective, it was as yet unconscious of the responsibilities of power. The account of the reception given to the honestly meant British inquiry concerning the Geneva Protocol makes curious reading. And here are the three outstanding cases of active American intervention in world politics during that period: the Four-Power Pact with regard to the Pacific—"somehow or other . . . even in 1922 . . . regarded as innocent" (because it applied to the one region in which the United States took an active interest); the Kellogg Pact (even more naïve, though less mischievous, than the League of Nations with which American idealism had burdened Europe); and the naval agreements of

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1930, which lulled the United States "into false security" and compelled the British, "in order to propitiate the American government," to reduce their cruiser strength, with serious consequences in the 1940's.

Of the three American Ambassadors discussed in this book, not one was a career diplomat. William Dodd, sent to Berlin in July 1933, was an aging historian who had studied in Germany and who, as so many sentimental pro-Germans, was harking back to "a Germany that had once been," or that had never been at all. He believed that "he was to go to Berlin as a living sermon on democracy," and that such an honest, frank mission could hardly fail of good result (consciously austere, he "never dissembled the hostility he felt toward most career diplomats and businessmen in the Foreign Service"). He practiced "admonition-by-analogy," and found himself disliked in German official circles; and "once he discovered that he could not convert the Nazis, his despondency practically incapacitated him as a diplomatic representative." He was a "worry" for the State Department, and never a key figure in its formulation of policy.—Very different was the position of Bullitt in Paris and Kennedy in London, two men with eminently practical experience. Their status in the Democratic Party and their relations with President Roosevelt (who "distrusted foreign service officers as a class") gave them a freedom of action not ordinarily accorded to diplomats, and their reports carried, to begin with, considerable weight in Washington, where "policy was the product of cables received from abroad rather than of a dynamic conception of American interests." But they, too, lacked an independent approach to the situation. Bullitt, who had long been convinced of the necessity of an agreement with Moscow, having gone there as Ambassador in 1933 returned disgusted and disillusioned, and was henceforth "dominated by his distrust of the Soviet Union," "with Great Britain playing the role of minor villain." Extremely popular in Paris, especially in government circles, he echoed their views, and played "minister without portfolio in the kaleidoscope of French cabinets." Similarly, Kennedy in London became an intimate of Chamberlain and his circle, and an appeaser at any price. In short, both took their cues from the governments to which they were ac-

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credited and their influence in Paris and London merely helped to "reinforce the views already held by Daladier and Chamberlain." After Munich Bullitt perceived at last the full extent of the German danger and at the time of the collapse of France played a part which did him credit (though even then he was capable of suspecting Britain of conserving her "air force and fleet as bargaining counters for future negotiations with Hitler"). Kennedy, on the other hand, remained convinced that the United States must keep out of the conflict whatever might happen, and that England would "go down fighting" but that it would not do "the slightest bit of good." He became "a prophet of unrelieved gloom" and inaction, and lost all influence with the President. Both failed in their mission; they "could obtain little or no guidance from the State Department," and gave it as little in return. But could they not find "a fund of knowledge and experience" in the staffs of professional diplomats by whom they were served? Kaufmann's conclusion is that they could not, and that most of their faults derived "from the sterility which characterized the thought of the professional diplomat during the interwar period." The book closes by registering insufficiency at all levels.

About a hundred years ago Guizot wrote in his *Mémoires*:

> The professional diplomats form, within the European community, a society of their own which lives by its own principles, customs, lights, and aspirations, and which, amid differences and even conflicts between States, preserves a quiet and permanent unity of its own. Moved by the divergent interests of nations, but not by their prejudices or momentary passions, that small diplomatic world may well recognize the general interest of the great European community with sufficient clearness and feel it with sufficient strength, to make it triumph over differences, and cause men, who have long upheld very different policies without ever quarrelling among themselves, and who have almost always shared the same atmosphere and horizons, to work sincerely for the success of the same policy.[2]

The picture may be somewhat idealized, but is not altogether fanciful. That diplomatic community had for its background the great French-speaking "international" of the European aristocracy which Guizot, French but not an aristocrat, diplomat but not *de carrière*, beheld with perhaps excessive admiration during

[2] Brussels, 1858-1867, II, pp. 266-67.

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years influenced by Princess Lieven. Now it is gone, and nothing can recreate it; and whatever of it had survived into the present century was apt to rouse the ire, first of "democrats" prating about "open diplomacy" and "diplomacy by conference,"[3] and next of the dictators; and besides, the disapproval of a good many who fall into neither category. Distrust of professional diplomats is registered in almost every single chapter of this book.

But were a book attempted on the generals of the period, a similar story would be told. Clemenceau is credited with the dictum that the conduct of war is too serious a business to be left to generals; others, too, have acted on that principle. The man who bears the supreme responsibility in the State must retain the supreme direction of its most vital business: of home policy in peace time; of diplomacy in times of crisis; and of operations in war. So did monarchs in past ages; and so do modern heads of the Executive. And in this century international affairs so much dominate the life of the nations that the direction of foreign policy cannot be left to experts or even to departmental chiefs, but must become the attribute of Presidents, Prime Ministers, or dictators: if ill-chosen, the worse for those who place them in positions of supreme power. But outside interference with the work of professionals, however authoritative, is apt to cause friction; and then the man at the top is likely to look for tools of his own: which adds to the difficulties of the situation. Still, in spite of a few outstanding men such as Rumbold, Coulondre, or Schulenburg, the diplomats, especially during the second half of the interwar period, seem to have been hardly better fitted to deal with the situation than were their chiefs. There was insufficiency at all levels. There may have been in Europe an all-round decline during the interwar period caused by human losses

[3] Professor Craig touches upon the activities of that egregious group in Great Britain which, in the first quarter of this century, went by the name of Union of Democratic Control, and seems to overrate its importance. As *finale* to its activities he might have quoted the *démarche* undertaken on July 29, 1939, by one of its last survivors, Charles Roden Buxton, who told the Counsellor of the German Embassy that public discussion of how to preserve peace could "no longer achieve its purpose," and that it was "necessary to revert to a sort of secret diplomacy," and seek a way out of the difficulties "by conversations from which the public was totally excluded." In short, all that was left of the *credo* of the UDC was a pathetically naïve belief in their own fitness to conduct diplomatic negotiations. (See *Documents and Materials Relating to the Eve of the Second World War*, published by the Ministry of Foreign Affairs of the USSR, Moscow, 1948, II, *Dirksen Papers*, pp. 106-12.)

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suffered in the war, and by deep disturbances of the mental and moral atmosphere among the survivors. Or perhaps the complexities of man-created problems now transcend the capacities of man, with consequences rendered even more serious by the steady growth of his technical power.

II

The European situation during the interwar period turned on the same two pivotal problems with which we are now faced once more: of German nationalism and Russian Bolshevism, and how to contain one without playing into the hands of the other. The capacity of either for military renascence was vastly underrated, and so was their capacity for cooperating despite ideological differences and a cordial mutual dislike. The frontiers of Germany as drawn at Versailles were eminently fair to the Germans: France gave in over the Rhineland and even over the Saar; and plebiscites were held in East Prussia and Upper Silesia, where the Polish national revival was advancing without having reached its term. Still, the Germans kept up a spurious agitation over the Corridor and Danzig; while the Sudetens, Pan-Germans in 1848 and forerunners of the Nazis in 1898, could be trusted to reject even a Swiss settlement with the Czechs (a *Verschweizerung* Henlein contemptuously called it in 1937). How then could the national existence of Poland and Czechoslovakia be safeguarded except through a French hegemony in Europe? And how could French hegemony be maintained without restrictions on German sovereignty and armaments? The triple failure of French, Czech, and Polish diplomacy, working on different lines, forms a curious pattern in the book on *The Diplomats*.

Could the policy of Clemenceau and Poincaré toward Germany have been carried through, as that of containing France was after the Treaty of Vienna, Europe might have been spared a new deadly dose of German aggression. It was abandoned by the French themselves: French humanitarian liberalism was averse to indefinitely holding down the Germans; there was the old, deep-rooted pacifism both of the French *haute finance* and of the French labor movement, and a widespread fear and dislike of Russian Bolshevism; a horror at the idea of another war, and a

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weakening of the French national fiber; hence an exaggerated regard for British and American opinion: a nation which abandons safeguards essential to its own security in deference to foreign opinion ceases indeed to be a Great Power. Whatever the reasons, there was French *défaillance* after 1925: disguised at first, stark in its concluding stages; and the action of French diplomacy toward Germany during those fourteen years was almost invariably softer than its professions.

The French system as planned in 1919 attached considerable importance to the alliances with Poland and Czechoslovakia, "partners in the job of holding Germany in check"; and Philippe Berthelot, the Secretary General of the Quai d'Orsay, was their "most consistent artisan." Yet he was opposed to the Ruhr occupation, being convinced "that, somehow or other, Germany and France must manage to live together in the same European system," or the weight of seventy million organized, hard-working Germans would ultimately prove too much for thirty-eight million Frenchmen: "if . . . we don't try to create a German republic hostile to war, we are doomed." The fact which neither he nor other advocates of reconciliation with Germany would squarely face was that a free hand toward Poland was Germany's irreducible price for friendship with the West: otherwise she would seek and find her natural ally against the Poles in Russia. Briand's guiding rules for French diplomacy, "to insure for France . . . all possible elements of immediate security . . . and in rhythm with its development, to seek the broader bases of European peace," sound well so long as no attempt is made to translate them into concrete terms. How could close Anglo-French cooperation and a Franco-German *rapprochement* be reconciled with Eastern alliances in which Great Britain refused to participate and which the Germans were out to annul? Locarno drew a clear distinction between Germany's western and her eastern frontiers; but an attempt was immediately made to obscure it by making Germany conclude arbitration treaties with Poland and Czechoslovakia which neither reassured the Poles nor were ever taken seriously by the Germans.

The Locarno treaties were well-nigh symbolic of the self-deceiving diplomacy of the League of Nations period. Berthelot,

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according to his friend Claudel, "put the Locarno program into effect and between 1925 and 1932 went along with Briand not so much because he believed in the policy but simply because he could envisage no alternatives." In fact Locarno was an abdication on the part of France: "the French never again would act alone," writes Challener; "they had . . . lost a large part of their nerve. . . ." To the Germans, on the other hand, it was a mere starting point. "What was so alarming," wrote Alexis Léger, "was that it seemed impossible to reach finality; each concession, freely granted in the desire to conciliate, was promptly followed by fresh and yet more extravagant demands."[4] Briand died in 1932, before the bankruptcy of his policy had become blatantly obvious. Berthelot, unnerved by the impact of failure, "isolated himself more and more in the accomplishment of his purely routine, administrative tasks"; and a short time before his death, bitterly remarked that the law of gangsters was being imposed everywhere, and that "brigands have more energy than honest men."

By 1935 the growing weakness of France was patent, and led to an independent policy on the part of Poland, which in turn still further undermined the French system. There were only two logical lines which French policy could have now pursued: to contain Hitler Germany through an alliance with Soviet Russia, even if this was to estrange Poland still further; or to adopt a policy of *rapprochement* with Germany that tacitly sacrificed her Eastern allies. Both these policies were attempted, without ever being fully avowed or carried through to their distasteful end. M. Coulondre, the outstanding French diplomat in the last years of the interwar period, though under no illusions as to the character and ultimate aims of the Soviet government, "clung with dogged consistency to two simple ideas: first, that Germany must be stopped; second, that only a tight military alliance between the Western Powers and the Soviet Union could stop her." And he clearly realized that Czechoslovakia was "the only country on which the action of the three great peaceful

[4] Cf. also Rumbold's despatch of July 3, 1930: "It is an unattractive feature of the German character to display little gratitude for favors received, but when the receipt of favors is followed up by fresh demands, there are grounds for feeling impatient."

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Powers could be conjoined." He also saw that, especially in view of Poland's expansion beyond the Curzon Line, no such junction could be expected for her defense, and he did not overestimate, as many did, her military importance. But he was "The Voice in the Wilderness"—the title of the essay about him which Mr. Ford and Professor Schorske contribute to the book.

A more comprehending reception was given in the Laval-Flandin-Bonnet period to the policy advocated by M. François-Poncet, whose career is sketched in Mr. Ford's essay on "Three Observers in Berlin." François-Poncet started as a scholar and teacher; during the war of 1914 turned to applied economics; through his marriage "acquired substantial holdings in the steel industry"; during the Ruhr occupation was economic adviser to the commanding general; sat in the Chamber of Deputies, 1924-1931, "a skillful opponent of organized labor and one of French industry's cleverest parliamentary spokesmen"; in 1930 was appointed Under-Secretary at the Quai d'Orsay, and next in the Premier's office under Laval; and in 1931, at the age of forty-six, was sent as Ambassador to Berlin. While inclined to be tough toward Weimar Germany, he always favored closer industrial ties between Germany and France, and even before he went to Berlin, "had proposed a complex international cartel plan." He soon came to doubt the chances of blocking Hitler by frontal resistance, and anyhow would only have attempted it with Mussolini for an ally: he openly showed to the Germans his dislike of the Spanish government, "this last stronghold of the Popular Front," and of the French-Soviet pact of 1935.

> The policy for which François-Poncet was agitating, once identified beneath the disavowals that burden his *Souvenirs* . . . was, in fact, the common property of a substantial section of the French Right. Fear of the Russia of Stalin, indifference towards the Czechoslovakia of Beneš, reliance on the Poland of Beck, admiration for the Italy of Mussolini, all were implicit in the ambassador's attitude. . . .

"It is time," he said to Neville Henderson in May 1938, "that Europe revised its opinion of M. Beneš"; and to Sir Eric Phipps, Ambassador in Paris, early in June, "that the Allies should offer Hitler a deal on the Sudeten question." Soon he was urging "the possibility of a Great Power settlement and 'evolutionary changes'

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in existing alliances"; and "the vital preparatory work" for Munich was carried out by him in a visit which, on orders from Bonnet, he paid to Hitler on the morning of September 28—but "the ambassador's memoirs tend to minimize his own importance in this instance, stressing instead the decisive role of British policy throughout the crisis." And next he made his "culminating effort to achieve better relations between Paris and Berlin": during his visit to Berchtesgaden on October 18, he broached the idea of the Franco-German declaration, signed on December 6 during Ribbentrop's visit to Paris. But by that time François-Poncet had left Berlin "to take up his duties in Rome, where he remarked to the German ambassador that it had been time for him to leave the Reich: 'You should stop while it tastes best.' " In Rome he declared to Mussolini "that 'he had come to develop the policy of the Munich Agreement' by converting into reality the dream of a four Power system." He certainly did not relish the crudities of the Nazi regime, yet "nothing about Nazism so repelled him as to inhibit his efforts to arrange an understanding between the French government and French industry, on the one hand, and Hitler's Reich, on the other"; and in Rome "he was willing to swallow the insults he received," and still pursue his European plans based on business pacifism.

It was possible, though hardly sensible, to imagine that France could achieve security behind a military and diplomatic Maginot Line; but in the case of Czechoslovakia and Poland, geographical situation and ethnic composition alike precluded isolation. The basic factor in the national restoration and the national survival of both was their alliance with France: yet even this failed to create any real community between the Czechs and the Poles. On the German front there was a fine but significant difference between them: Austria was the old enemy of the Czechs, but Prussia of the Poles; elsewhere their hostilities and policies diverged still more. Besides, in outlook and traditions, based on widely different social structures, the two nations were unsympathetic to each other; and the conflict over Teschen was merely a symptom of a much deeper cleavage. Both States bore the imprint of their makers, Masaryk and Pilsudski; and the two found their disciples and heirs in Beneš and Beck who, especially after

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the deaths of their masters, were in complete control of the foreign policies of their States.

"Czechoslovakia: The Diplomacy of Eduard Beneš" is the title of Mr. Paul Zinner's essay. Indeed, during the twenty years of Czechoslovakia's independent existence, her foreign policy was made by Beneš, who became "Foreign Minister by profession." As such he combined expert knowledge derived from long practice with "a general disdain for expert advice and a penchant for informal diplomacy" which he practiced traveling as "a roving ambassador of his country" from one European capital to another and to Geneva, in "an attempt to deal with the responsible European statesmen personally. . . ." He "clearly saw that the welfare of a democratic Czechoslovakia coincided with the maintenance of a stable and peaceful Europe," of the Versailles status quo and the effectiveness of the League of Nations system. His foreign policy was a continual search for security, both through bilateral and regional agreements—the French alliance and the Little Entente—and through general schemes of arbitration and pacific settlement of disputes. He tried assiduously to increase the moral and political prestige of the League, and within the League he vindicated the rights of the lesser European Powers: among their representatives, he "perhaps stands out as the one who was most often and most intimately involved in events of European significance." Truly conciliatory, a believer in parliament and assemblies, always keen to explain his thought and to discuss compromises, an enthusiastic supporter of any scheme aiming at collective security, he was listened to with attention in the 1920's, but with growing impatience in the changed international climate of the 1930's: "his old gifts had little relation to the realities of the new age of power politics." When the crisis came of Czechoslovakia's existence, Beneš' alliances and treaties proved mere scraps of paper, and his League concepts idle dreams; and he was run down, derided, and traduced. "Diplomacy by conference" used Geneva phaseology in its Munich performance; and Beneš, who had so long employed it, believing or wishing to believe in the shams of the League, was in the end unable to face stark reality and capitulated, rather than take the risk of singlehanded action. Even Czechoslovakia's reestablish-

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ment after the war could not repair the loss of prestige which he had suffered through his surrender in 1938. It was a contributing factor to his second and final defeat in 1948.

Masaryk was of humble origin, a scholar and thinker with a humanitarian outlook; Pilsudski, of gentry extraction and a revolutionary conspirator and terrorist by early training, was a bold and bitter fighter, contemptuous of other men, and scornful of parliamentary institutions and public opinion. Beneš and Beck both tried to walk in the paths of their masters; but to fall short in philosophical elevation is far less pitiable than to flop as the strong man; and as Mr. Henry Roberts says of Beck, "this . . . rather Mephistophelean figure conveyed an impression of hardness without depth." When disaster overwhelmed him, he received scant sympathy, and is remembered (not altogether fairly)

> as the man who refused to work with the Little Entente or the League of Nations, who pursued, in substance, a pro-German policy after 1934, who joined in the dismembering of Czechoslovakia, and, finally, as the man whose stubborn refusal to enter any combination with the Russians contributed to the failure of the Anglo-French-Soviet negotiations of the spring and summer of 1939.

Beck's manner of doing things, with a gratuitous display of arrogance and brutality, and by temperamental reaction rather than to rational purpose, put an unpleasant complexion even on policies not lacking deeper justification. Doubts might well have been entertained concerning the League; still, it was not for Poland in her precarious situation to try to impair its authority, from sheer resentment at the "minority treaties" and League control in Danzig. The Little Entente was directed against the Magyars, a gentry nation like the Poles, and their traditional friends; and while to the Czechs Russia was their "big brother," to Poland, in possession of White Russian and Ukrainian lands, she was a dangerous enemy. France expected unquestioning devotion from the Poles, but at Locarno concluded an equivocal treaty with the Germans, after that attempted an Eastern Locarno with the Russians, and throughout displayed weakness toward Nazi Germany. No wonder if the Poles tried to reinsure themselves in their own fashion. Beck's action toward Czechoslovakia was mean, brutal, and stupid, but it hardly became French Munichers to rate him for it. In 1939 the Western Powers ought

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perhaps to have sacrificed Poland to Russia; but the Poles could not be expected to do so themselves. Mr. Roberts, while admitting certain criticisms of Beck, says that "in all probability no arrangement by the Eastern European States could have assured the security of the area, even had their statesmen been far wiser and more self-restrained"; and Mr. Zinner, speaking about Czechoslovakia's paper alliances, questions whether "an alternate course of action by Beneš . . . would have been crowned with greater success." There are situations wherein it is well-nigh impossible for statesmen or diplomats to be justified by results.

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THE PSYCHO-CULTURAL APPROACH TO SOVIET STUDIES

BY RAYMOND A. BAUER

Margaret Mead, *Soviet Attitudes Toward Authority: An Interdisciplinary Approach to Problems of Soviet Character*, New York, McGraw-Hill Book Company, Inc., 1951, 148 pp. $4.00.

Dinko Tomasic, *The Impact of Russian Culture on Soviet Communism*, Glencoe, Ill., The Free Press, 1953, 287 pp. $4.50.

I

THE emergence of the "psycho-cultural" approach to the study of major national societies as a result of the wartime work of anthropologists and other social scientists has been well recognized as one of the distinctive events in the last decade of scholarship. During and immediately after the war, attention was concentrated on Japan and Germany, our wartime enemies. Since that time, it has turned to the study of the Soviet Union, our cold war enemy, and to some of the countries of Eastern Europe that are under Communist domination. One of the distinctive features of the work, it must be remembered, is that it grew out of practical considerations. It is applied social science, based on the assumption that the concepts and methods of social anthropology and dynamic (Freudian or neo-Freudian) psychology could produce findings that would facilitate the effective conduct of our international relations.

In general, the reactions of representatives of the more traditional disciplines—economics, history, politics, literature—have been critical of the products of the psycho-cultural approach to those societies with which they were familiar. In some instances, the reaction was violently hostile. Discussions between the newcomers and the traditional scholars would frequently degenerate into wranglings of mutual misunderstanding and talking at cross-purposes. In Slavic studies the publication of Gorer's controversial swaddling hypothesis[1] produced an especially strong flurry. Over a period of several years, any social scientist engaged

[1] Geoffrey Gorer, "Some Aspects of the Psychology of the People of Great Russia," *American Slavic and East European Review*, VIII (October 1949), pp. 155-66.

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in Soviet studies knew that if his disciplinary allegiance was revealed to be in any way linked with the "anthropological approach" (i.e., if he was a psychologist, anthropologist, psychiatrist, or sociologist), he was probably doomed to a long and heated argument with any member of the more traditional disciplines who happened to be present. The present writer found that even Soviet *émigré* scholars were likely to challenge him sharply. Upon finding out that I was a psychologist, they would almost immediately begin to probe to find out what I thought about the "crazy theory" of some American[2] that the form of the Soviet state was determined by the way children were reared. When we put into a questionnaire administered to *émigrés* a simple factual question to get some idea of the actual incidence of swaddling among various social groups in Soviet society, the story spread quickly throughout the *émigré* community that we did indeed believe in the "crazy theory." No amount of persuasion and explanation could convince them that exploration of a single question of fact did not necessarily involve complete commitment to the extensive body of speculation with which it was associated in their minds.

Some of the sharpness of this initial reaction has worn off, but psycho-cultural studies remain a controversial subject. The reasons are many. The mode of psychological explanation employed in such studies (invariably based, implicitly or explicitly, on Freudian or neo-Freudian theory) is exotic and implausible to persons freshly exposed to it. Perhaps a somewhat greater sensitivity of the writers to the prejudices and expectations of their audiences might have offset this reaction to some extent, but it is dubious that the most skillful job of presentation would not have been greeted with a considerable amount of skepticism.

The psycho-culturists employ and give a considerable weight to variables with which the economist, historian, and political scientist are not accustomed to deal. As a result, the more traditional scholars feel that the "really important" considerations are being overlooked. Here again, both parties must share the

[2] Like many Americans, they had converted Gorer, an Englishman, into an American, there being apparently a general agreement that this particular form of "craziness" was a typically American enterprise.

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blame. In certain instances, it is true that the psycho-culturists, despite their demurrers, have in fact projected their limited number of variables onto complicated phenomena; and they have psychologized political and economic events in an inexcusable manner. Every discipline, however, deals with a limited number of variables, and therefore cannot pretend to exhaust the explanation of the phenomena with which it deals. The initial reason for introduction of the psycho-cultural approach was the belief that psychological and cultural variables, being largely ignored or oversimplified by traditional scholars, should be added to the array of factors which are taken into consideration in the explanation and prediction of societal events. The author of one of the books being reviewed here takes explicit cognizance of the fact that she is dealing with a restricted complex of variables abstracted from the concrete processes of history.

> Nor [she says] are the hypotheses suggested here meant to be complete explanations of particular events—as providing, for example, an explanation of the great purges of the late thirties, which have their very special historical context. If the hypotheses presented here are to stand up, then nothing which we know about the great purges should conflict with them, but there is no expectation that the entire course of the great purges should be derivable from them (Mead, p. 10).

The matter, however, still remains complicated. The "patterns," the regularities which are sought for, cut across the institutions of society, and may—in fact, ought—to exhibit themselves in many instances in industry, on the farm, in politics, in the family, and presumably will have persisted over some period of history. This means that even though the proponent of the psycho-cultural approach does not (in the best instances) pretend to *explain* all political and economic phenomena, he does in fact have to deal with them and make statements about them, and therefore he must command to some extent knowledge of a wide variety of areas of life, each of which has been given specialized study by a body of traditional scholars.

Piling complication on complication, one of the distinctive advantages of the psycho-cultural approach (in addition to the introduction of new variables and explanatory concepts) is the fact that it is "comparative"; namely, it views each society in a very broad perspective, in the context of its relationship to a

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wide variety of other societies. This means that the proponents of the psycho-cultural approach are simultaneously addressing themselves to an approach toward each society that is—if one demands perfection—inherently beyond the competence of any single human being, and handicapping themselves additionally by requiring of themselves a knowledge of a considerable range of societies.[3] As they search for patterns, for broad regular trends which either persisted over time or cut across many areas of life in a complicated society such as that of Soviet Russia, they draw on examples from many areas of life. Inescapably, each time they do so, they venture into some field of competence of a specialist and simultaneously give a new twist to material with which he has been familiar. Specialists in particular areas have found, as should be no surprise, errors in matters of detail, and have tended as a result to reject not only specific interpretations (which might or might not have been correct despite errors of detail) but the entire approach to the problem under consideration.

Finally, the psycho-cultural school ran into at least one semantic problem in reintroducing the concept of "national character." Historians in particular react violently to this term as a notion that has been used in the past by members of their own profession to vulgarize the historical process, simplify the explanation of events, and substitute easy explanation for solid historical analysis. It is obvious that the term "national character" has acquired such a heavy encrustation of historically accumulated negative tone that many scholars react to the label rather than to what is actually done under its name. That there have been abuses of the concept all would agree, but what are the legitimate objections to the use of the concept in principle? Does it make any difference what the nature of the human material is that operates any given system of social, economic, and political institutions? It is not unusual to find an economist, historian, or political scientist (not all, by any means) arguing either directly or tacitly that it makes no difference, that institutions would function the same and historical events take the same form regardless of the psycho-

[3] The reviewer wishes to put himself on record as being more than minimally aware that, for all the reasons cited above, it is patently beyond the competence of any one person to review work of this sort, and that the limitations which are inherent in the psycho-cultural approach are at least equally applicable to reviews thereof.

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logical characteristics of the people involved, or that human nature is so immutable that all peoples are essentially the same. On the face of it, this seems to be a dubious assumption. And, in the case of the Soviet Union, at least, we have the decades-long struggle of the Soviet rulers to remold the human material of Soviet society as a testimony to the seriousness with which they take "national character."

In the thirties American intellectuals, and American anthropologists in particular, were intent on combating the racist doctrine of Nazi Germany and spent a good deal of time and energy demonstrating the plasticity of human nature under varying social conditions. The purpose of their work was to indicate that it was not necessary to posit basic biological differences between groups in order to explain observed psychological differences. By some drift of reasoning, the attack of social scientists on biological racism came in the minds of many to be an assertion that there were no group differences in psychological characteristics, rather than that these differences were due to social instead of biological factors. Furthermore, it is obvious from the tone as well as the content of the reaction of many persons that for them the affirmation of group psychological differences is *per se* a form of racism, and in fact an immoral enterprise. The term "psycho-racist" has even been introduced into some discussions. By 1951 Mead found it necessary to dissociate her work from the label of racism, even though it was her own work on socialization in primitive societies which had proved one of the best sources of data for the refutation of biological racism in the mid-thirties. She wrote:

> It has been assumed that anthropologists assume that the character structure of a people is static and unchangeable, which is equivalent to a form of racism. This is not so. This assertion confuses the methods used by anthropologists in dealing with primitive societies when there are no records and for which, therefore, change can only be inferred from indirect evidence and so cannot be studied systematically, with anthropologists' approach to modern societies in which they recognize rapid change and profound discontinuities between generations as being the rule (Mead, p. 6).

The foregoing recitation of factors which have influenced the reception of psycho-cultural studies is not intended as an apologia

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for all that has been done in the name of the "anthropological approach." While, for example, I have defended the use of the concept of "national character" in principle, I would be very reluctant to defend much of the work in this area in practice. Similarly, it is probably beyond the competence of any one person to pass judgment on whether the errors and extravagances of some of the proponents of the anthropological approach offset the contributions which have been made. I would merely contend that, as with all innovations, the application of anthropological and psychological concepts in the field of area studies stirred up a series of reactions which were only indirectly related to the main purposes of these studies. As a result, it is seldom that anyone has asked the simple, straightforward question of what these studies (regardless of their deficiencies) have contributed to our understanding of modern societies.[4]

A reasonably complete answer to this question would obviously require a sizable monograph which would include a review of a dozen or so of the major psycho-cultural studies on national states. The two books under review here can serve only as limited examples.

II

The goal of Tomasic's book is to explain by historical analysis the sources of the "political explosiveness" of Soviet society. He sees the origins of this political explosiveness in the conflict of two cultural trends. One trend, favoring non-aggressive, democratic, egalitarian modes of behavior, he traces back to the old Slavonic inhabitants of the Russian forests and valleys. The other trend, autocratic, destructive, and power-seeking, he sees as originating in the culture of the invading Eurasian horsemen.[5] The male invaders married the women of the conquered Slavonic

[4] A conspicuous exception to this generalization is "Who Gets Power and Why," by Ithiel de Sola Pool, *World Politics*, II (October 1949), pp. 120-34. Also Irving Goldman, "Psychiatric Interpretation of Russian History: A Reply to Geoffrey Gorer," *American Slavic and East European Review*, IX (October 1950), pp. 151-61, is distinguished by the extent to which the author sticks firmly to the main issues.

[5] This type of analysis is similar to that employed by the same author in his book, *Personality and Culture in Eastern European Politics*. In this earlier work, he was concerned with the impact on modern Yugoslavian culture of the cultures of the settled plowmen of the valleys and of the Ural-Altaic sheep-raisers and horse-breeders who invaded Europe from time to time.

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tribes and there resulted a distinctive Russian family structure, characterized by an authoritarian, arbitrary father, and an egalitarian, supporting, nurturant mother. This family structure, he argues, produced a distinctive character structure in which dependence, a sense of guilt, fear, power-seeking, mistrust, destructive aggression, emotional instability, and a variety of other traits are exhibited. Such traits, in turn, display themselves in the nature of contemporary Soviet society and in the behavior of the Soviet people.

Tomasic marshals an impressive amount of historical data from a wide variety of sources to explain the origins and perpetuation of the Russian family and to build his case that the Russian people have exhibited certain traits of character for many centuries. Only an historian better versed in Russian history than I am could pass judgment on whether or not his selection of data and the interpretations he puts on them are thoroughly warranted. The entire argument, however, rests to a disturbing degree on inferences to cover large areas where direct data are lacking.

One of the main weaknesses in the employment of "culture" and "national character" as explanatory concepts in history has been that they have tended to be treated as mystical forces which exert their influence in a manner not much explained, and persist through time in a manner not at all explained. Tomasic at least posits some specific mechanisms. He sees the family as the vehicle for the transmission of the traits with which he is concerned. Certainly, the earlier of his statements about the formation of the "Russian family" are highly inferential. Later, as the data get better, he frequently does a quite detailed job of historical analysis. With all the reservations that one must enter about subsuming all Russian families under a single type, one is nevertheless fairly well convinced that Tomasic has built a good case for the evolution of a distinctive modal type of Russian family that does in fact correspond to what we know about a large proportion of Russian families.[6] However, when he pro-

[6] Psychological tests employed by the Harvard Project on the Soviet Social System, for example, showed that Russians tended, as Tomasic would contend, to see mothers as nurturant and supporting, and fathers as arbitrary and authoritarian. This tendency was considerably stronger among the Russian group than among a control sample of Americans.

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ceeds to the discussion of the actual mechanisms whereby the family type that he posits produces the character type that he posits, his argument begins to show conspicuous gaps. His methods are nowhere explicitly stated, but one must infer that he began with generally accepted notions of traditional Russian "national character" on the one hand, and his model of the Russian family on the other, and postulated intervening psychological processes which would make one consistent with the other. He introduces little in the way of direct evidence for the actual existence of such processes, and those processes which he postulates are seldom the only ones which could take place in such a situation. For example, he theorizes that the Russian peasant resorted to magic as a result of the aggressive mood which was engendered by his enforced submissiveness. It is equally plausible to contend that this resort to magic was no more than a way of attacking otherwise insoluble problems. More pertinently, many of the reactions of the child to the dominating and rejecting father that he postulates might be entirely different, depending on conditions of the child's identification with the father, an issue which Tomasic does not raise.

The over-all argument of the significance of the two earlier cultural trends for the development of Soviet Communism is mediated through so many intervening historical events and flights of psycho-logic that this reviewer at least came away from the book with a feeling that the case was not demonstrated, nor had he learned anything new from this historical analysis about the nature of Soviet Communism or its origins. To put it bluntly, the two cultural trends seemed often to be dragged in by the heels, and when the author did not drag them in, the reader could not find them for himself.

Most of one's objections to the book vanish, however, in the last section, which is devoted to an analysis of certain main features of Soviet society. Here Tomasic has done an incisive job of delineating many central features of the Soviet order. He has also many well-considered and suggestive remarks to make about the psychological situation of the individual in the Soviet order, the way in which the regime responds to the job of remolding Russian "national character," and the type of people who ad-

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vance to positions of leadership in the Communist orbit. With perhaps a short introductory chapter, this section could have been presented without the much longer historical section which preceded it, and it would have been a more impressive contribution. Even here, however, the over-all thesis hinders rather than helps. It is true that there is a substantial amount of "destructive aggressiveness" in both the behavior and words of Communist leaders, as he says. However, there is little or no evidence that the Russian people as a whole are distinguished by any outstanding psychological disposition toward aggressiveness, as Tomasic maintains, and which he attributes to the Russian family structure.[7]

Potentially, the psycho-cultural approach has much to offer in historical analysis, especially if those who employ it will concentrate on the cultural rather than on the psychological dimension. Psychological analysis in depth, such as Tomasic essays here, is a difficult business even when firsthand data are available. This is not to say that it is inherently impossible, but rather that when direct data are lacking, it is the less efficient way in which to expend one's energies. The field of Soviet studies would benefit greatly by a careful tracing of Russian cultural trends—historically established values, norms, rules of conduct, and expectations—that have had an impact on Soviet civilization. This will best be done not by a single over-all hypothesis such as that of Tomasic, but by a detailed tracing of the effect of individual cultural traits. Examples would be: the success of the Bolshevik leaders in capitalizing on the long-established value attached by the Russian intelligentsia to serving the group; the problems created under the conditions of Soviet life by the violation of the Russian value of being accepted as a full-fledged member of the community; the extent to and manner in which the Russian attitudes toward the outside world are presently reflected in the Soviet attitude toward other countries; the assimilation of traditional Marxism to Russian habits of thought. The carry-over of these and other Russian cultural traits into Soviet life has been commented on sporadically by many writers, but the main job is

[7] Clinical psychological data of the Harvard Project on the Soviet Social System do not point to such aggressiveness, even though the refugee sample from which these data are drawn are strongly weighted toward the young Soviet male middle elite.

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yet to be done. A culturally sensitive historian or an historically sensitive social scientist could well fulfill the undelivered promise of the title of Tomasic's book, "The Impact of Russian Culture on Soviet Communism."

III

Mead describes her book as "a report on an interdisciplinary-group approach to the study of certain aspects of Soviet attitudes toward authority." It is in very many respects a contrast to Tomasic's book. Mead's work is the result of a group effort, employing representatives of several disciplines. It deals almost exclusively with the present, bringing in historical considerations only when they are demanded by the analysis of present-day material. There is an extended discussion of the methods employed by the group which reflects a sensitivity on Mead's part to the objections and questions which might be raised by members of traditional disciplines. In general, one suspects the lady who protests too much, but in view of the attacks that had been made on the earlier psycho-cultural works, it would have seemed advisable for Tomasic to have followed Mead's course in this respect.

Soviet Attitudes Toward Authority presents the findings of a research team, written up by the group leader, Margaret Mead. The basic documents with which she worked, the reports of the individual team members, are summarized in a series of appendices in the back of the book. The organization of this team is in itself interesting. The original director of the project, Ruth Benedict, and Margaret Mead, who assumed the directorship after Benedict's death, were anthropologists who had no primary competence in the area of Soviet studies and made no pretension thereto. They brought to the project a background of work in a variety of other cultures, both modern and primitive. The other members of the team knew Russian and were familiar with Russian and Soviet society. Mead's main function was presumably to furnish the major interpretive ideas from her broad background; the other members of the team had the primary responsibility of preparing the basic reports and of backstopping the generalizations which came out of the group's work with their

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factual knowledge. This formula has the advantage of making it possible for the chief investigator not only to use his knowledge of a variety of cultures in order to see a particular one in cross-cultural perspective, but also to provide an adequate factual coverage of the society being studied. It demands, however, a certain amount of self-discipline and restraint on the part of the chief investigator, who may be tempted to do a series of superficial one-night stands. The fact that Mead spent several years working on this project and that she absorbed a considerable knowledge of Soviet society in the process indicates that in this instance the formula worked well.

The book is a short one, with less than one hundred pages of substantive text. It has five main chapters (apart from the introduction and discussion of methods): the background of the Soviet system of authority; the Soviet ideal of authority relationships; Soviet expectations regarding motivation; the place of the political police in the Soviet authority system; possible developments in the Soviet Union. The first three of these comprise the main body of the book.

The chapter on the background of the Soviet system of authority represents an extremely penetrating analysis of the theory and practice of Bolshevik ideology, including Bolshevik assumptions about human nature. Page for page, this chapter may contribute as much to the understanding of Bolshevik behavior as anything that has been written. In her careful tracing of the rationale of Soviet attitudes toward truth, for example, Mead makes explicable the seeming contradiction between the Bolshevik notion that there is only *one* truth, and the Russians' ability to reverse positions and hold to opposite stands in quick succession. The notion that good and evil reside in significant proportions in everyone and that today's friend may be tomorrow's enemy (and vice versa) is pertinent not only to the treatment accorded domestic scapegoats, but also to foreign friends and enemies. Throughout this section, however, I was bothered by the tendency of Mead to assume, more than I would, that assertion and belief are equatable. It seems to me that one of the outstanding characteristics of the Bolshevik attitude toward ideology is the instrumental approach the Russians make to it.

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Handling the same material, my disposition would have been more often to ask, "Why do they say this?" and "What use do they put it to?" This is a personal preference and one which does not seriously affect one's estimation of the worth of this section.

The section on Bolshevik assumptions about human nature is organized around the proposition that the "ideal" Bolshevik represents an attempt to counteract tendencies in traditional Russian character. This contention seems indisputable regardless of whether one "believes" in national character or subscribes to any one version of Russian national character. It is clear from the statements of Soviet leaders that *they* believe in Russian national character and that the ideal of the new Soviet man is an explicit attempt to inculcate in the Soviet citizen traits which the leaders find lacking, and which reflect quite closely the picture of traditional Russian character as it has generally been described and as Mead outlines it in a few broad brush strokes.

The chapters on the Soviet ideal of authority relationships and Soviet expectations regarding motivation are generally of a very high quality, though not as satisfactory as the chapter on backgrounds described above. The picture of the leader-ideal rings true to one who has been concerned with problems of this sort. And Mead succeeds in pointing out that the demands of perfection, vigilance, inspiration, etc., that are supposed to typify the ideal Soviet leader are distinctive and characteristic of the Soviet order in general. Official expectations of the motivation of the rank and file are confused, in that it is never entirely clear whether they are to become leaders themselves at some future time, or are to remain in the role of followers.

The final chapter, on possible developments in the Soviet Union, points to some real potential weaknesses in the system—the conflicts of conscience that beset recruits to leadership, and the morale of the rank and file—but by and large this portion of the book, occupying a scant four pages, is quite disappointing.

Mead's book does not succeed in its main purpose, to trace the Soviet system of authority "in all its ramifications." It is, rather, a series of essays relating to the problem of authority in the Soviet Union. As such, the individual essays come off well, and furthermore convey line for line an incisive comprehension of the Soviet

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order. There are obviously points with which each reader would quarrel. For example, both Mead and Tomasic repeat the generally held conception, put forth also by Gorer and Dicks,[8] that Great Russians are distinguished by a need to be submissive to figures in authority. There is room for disagreement here, but the data gathered by the Harvard Project on the Soviet Social System[9] indicate that Russians desire to have supportive and nurturant superiors, but that they are not psychologically driven to be submissive, as has been imputed widely to large segments of the German population.

It is on points such as the latter that one of the inherent weaknesses of the psycho-cultural approach as so far practiced is demonstrated. In searching for patterns across a variety of events and for implicit premises which underlie behavior in seemingly unrelated areas, there is something of a tendency to yank material out of context. Thus, throughout the discussion of the expectations and motivations of the Soviet citizen, one finds the "expected" (that which one has learned to anticipate whether he likes it or not) confused with the "desired" (that which one wants whether he expects it or not).

An additional weakness of the psycho-cultural approach is the failure of its practitioners to keep explicitly aware of the fact that the psychological and the cultural dimension are not identical. It is not the same thing to be talking about rather deep-seated traits of personality which in some combination distinguish individuals or groups of individuals and to be talking about an historically established set of values or rules of conduct. For example, it makes a world of difference if a given pattern of authority relationships reflects in some meaningful way the underlying personality dynamic of the people involved (a proposition that could, if it were so, both make a good deal of psychological sense and have profound implications for the possibilities of change in this pattern), or if this pattern represents no more than a set of conventions handed down historically, the main function of which is to regularize and simplify human relations, but which

[8] Cf. Henry V. Dicks, "Observations on Contemporary Russian Behaviour," *Human Relations*, v, No. 2 (1952), pp. 111-75.

[9] The clinical psychological findings of this project will be reported by Drs. Helen Beier and Eugenia Hanfman in a forthcoming volume.

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is easily replaceable by any other formula which will accomplish these purposes. Obviously, cultural and psychological factors are closely related, interdetermining, and sometimes inseparable. However, in many cases they *are* separable, and it strikes me that in either of these two books there are numerous instances in which such a distinction could have been made and would have led to different conclusions.

One of the most frequent and vehement complaints that is made against the psycho-cultural approach is that it attempts to characterize an entire complex population with a single formulation. To some extent, this objection could be held against these two books, even though Mead is explicitly concerned with two distinct groups, the Bolshevik elite and the rank-and-file Russians.[10] Unquestionably, as one's knowledge of such populations increases, it will be both desirable and possible to discriminate meaningful subgroupings within the population. At every point, however, no matter how many sub-group distinctions are made, there will be someone to complain that there are differences within the group. He will be right, but the basis of his objection will be mistaken. The question is not one of whether any group, including an entire nationality, is homogeneous (to some extent it is, and to some extent it is not), but whether or not it is on some dimensions sufficiently homogeneous and sufficiently distinctive from other populations to make it profitable to point to these dimensions as characteristic. The content of these books should be adequate evidence that the Soviet population and the Soviet leaders are distinctive both in their ideology and in their underlying personality and that these distinctions have significant implications for the operation of Soviet institutions.

[10] For the moment, I would set aside additional complaints about the fact that the Ukrainian and other national minorities living under Soviet rule are ignored.

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SOVIET ECONOMIC GROWTH*

BY F. D. HOLZMAN

Abram Bergson, ed., *Soviet Economic Growth: Conditions and Perspectives*, Evanston, Ill., Row, Peterson, 1953, 376 pp. $6.00.

I

THE book under review contains the basic papers, and comments thereon, delivered at a conference attended by a large number of the economists and demographers in the United States who are engaged in active research on the Soviet economy. The conference was held at Arden House, Harriman, N.Y., in May 1952. Some idea of the generous scope of enquiry is gained from a listing of the major topics covered: National Income, Capital Formation and Allocation, Population and Labor Force, Transportation, Industrial Resources, Industrial Labor Productivity, Industrial Production, Agricultural Resources, Agricultural Organization, Agricultural Output and Employment, Soviet Economic Relations with the Orbit, and East-West Trade.

The principal significance of the conference lies in its fairly successful assault on the problem of measuring the rate of past Soviet economic development. Of secondary importance, because of the necessarily conjectural and non-quantitative nature of the task, were the attempts to project past rates of growth into the future, the year 1970 having been chosen for sake of uniformity. We will consider first the attempts to measure Soviet historical performance; second, the projections of future growth; and, finally, the significance for the results of the conference of recent developments in the USSR.

The problem of developing satisfactory indexes or measures of changes in Soviet industrial production and in Soviet national income has challenged Western economists for about two decades. The interest of economists in these indexes is not difficult to explain. Until very recently, the Soviet economy was the only centrally planned economy in the world. It constitutes a challenge to the established Western capitalist economies and a

* I am indebted for critical comments to Gregory Grossman, Mathilda Holzman, Morris D. Morris, and Nancy Nimitz.

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serious alternative to capitalism for the underdeveloped nations of the world. Secondly, the Soviet Union is viewed as a potential military opponent, and it is a very important matter of military intelligence to know as precisely as possible the extent of changes in Soviet industrial production and national income.

It might perhaps be pointed out that Western economists have not been alone in their desire to find satisfactory indexes of Soviet output. Production indexes are important tools of the Soviet planners; to the extent that the indexes are unsatisfactory as measures of changes in production, the effectiveness of Soviet planning is thereby reduced. Soviet economists were not reticent about expressing their discontent with the specific indexes in use until recently; the deficiencies of those indexes finally led to their abandonment in 1948 and to the adoption of a new index measuring changes in production for years following 1950.

Some of the difficulties attached to the measurement of Soviet industrial production and national income are inherent in the problem of measuring changes in production over time in any country; others are more specific to Soviet practice. In both respects, the difficulties may be more easily explained to the non-specialist by an illustrative example. Let us assume that country A in the process of economic development produces only two commodities, cotton cloth and radio receivers. Cotton cloth, in this example, represents all commodities which are produced in non-industrial societies (e.g., food, shoes, ploughs); radios represent all the new commodities which are introduced with industrialization (steel, machine tools, modern weapons). Let us assume that the quantities and prices shown in Table 1 prevailed in the early and later years of industrial development respectively. Looking first at the quantities, we see a relationship which is typical of developing nations: (a) much more cloth than radio

TABLE 1

PERIOD	COTTON CLOTH			RADIO RECEIVERS			TOTAL VALUE OF OUTPUT
	Price	*Quantity*	*Value*	*Price*	*Quantity*	*Value*	(in current prices)
I. Pre-industrialization	20	100	2,000	100	5	500	2,500
II. Post-industrialization	80	120	9,600	120	100	12,000	21,600

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receivers is produced in the pre-industrialization period; (b) in subsequent years, the increase in production of radio receivers is much more rapid than that of cloth. The price structure has also been chosen to typify developing nations: (a) in the early years, the price of radio receivers is much higher than the price of cloth because radios are, relatively speaking, extremely scarce and techniques of producing them are relatively inefficient; (b) both prices increase over the subsequent years because economic development is usually accompanied by substantial inflation; (c) the price of radio receivers increases much less rapidly than that of cloth because of large productivity gains in radio-receiver manufacture resulting from the introduction of new and mass production techniques, and because radios are much less scarce, relative to cloth, in the post-industrialization period than they had been earlier.

How would we now proceed to measure the increase in country A's production? Two possible alternative measurements obviously must be eliminated at once. We cannot add cloth and radios and say that output increased from 105 to 220; relative differences in value must be taken into consideration. Neither can we compare outputs valued in current prices of periods I and II, because of the price inflation which is assumed to have occurred. Two other methods of measurement immediately suggest themselves: quantities in *both* years could be weighted exclusively either by the price structure of period I or by the price structure of period II, thereby holding price constant and obtaining a measure of changes in quantities alone. Both of these methods have been widely used; however, indexes weighted by prices of periods I and II, respectively, often diverge sharply. In the present example, the use of pre-industrialization price weights yields values of output of 2,500 ($20 \times 100 + 100 \times 5$) and 12,400 ($20 \times 120 + 100 \times 100$) for an increase of 4.96 times. Alternatively, we can say that the index of production was 496 in the post-industrialization year, if we assign a value of 100 to the pre-industrialization year. Post-industrialization price weights yield values of output of 8,600 ($80 \times 100 + 120 \times 5$) and 21,600 ($80 \times 120 + 120 \times 100$), respectively, for an increase of 2.51 times or an index of 251.

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The difference between indexes of production based on the different price weights is striking: pre-industrialization price weights in our example yield a figure almost twice as large as post-industrialization weights. The reason for this can be understood in terms of the preceding discussion. A pre-industrialization price structure typically assigns relatively high weightings to the new commodities, output of which increases rapidly, and relatively low weightings to the old commodities, output of which increases slowly. These weights cause the index to increase more rapidly than when post-industrialization prices are used because, relatively speaking, the latter weight the old slow-to-increase commodities heavily and the new rapidly increasing commodities lightly. The generality of this phenomenon was recently examined by Alexander Gerschenkron.[1] He constructed indexes of machinery output for both the United States and Great Britain, using price weights of different years; his results can only be described as amazing. For example, assigning a value of 100 to the output of selected machinery items in the United States in 1899, the index registered 1,542 for the year 1939 when 1899 prices were used as weights, but only 198 with 1939 price weights. Performing the same operation for selected items of machinery in Great Britain, with the year 1907 assigned a value of 100, the index showed an increase to 125 for 1924 using 1907 price weights, in contrast to a *decline* to 89 using 1924 weights. Several other indexes were computed with similar results.

This discussion should make clear the basic difficulty of finding some one *valid* measure of changes in production in developing countries. There is none. Indexes which use pre-industrialization price weights will show more rapid development than those which use prices of later years as weights. One cannot say that either weighting system is right and the other wrong: they are simply different measuring rods. One measures changes in production in terms of pre-industrial, the other in terms of post-industrial, scarcity relationships. Presumably a more "reasonable" measure of changes in production lies somewhere between

[1] Alexander Gerschenkron, assisted by Alexander Erlich, *A Dollar Index of Soviet Machinery Output, 1927-28 to 1937*, RAND Corporation, 1951.

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those extremes and may be approximated by the use of price weights of some intermediate year.

Our concern with this problem stems from the fact that until 1950 the Soviets used pre-industrialization prices, those of the harvest year 1926-27, as weights in computing their indexes of industrial production and of national income. Since the Soviet economy has been undergoing extremely rapid change, the presumption is that these indexes indicate upper limits of the rates of growth for Soviet industrial production and national income.

If this were the only criticism to be leveled at Soviet indexes, one might attack their wisdom in choosing price weights which yielded maximum rates of growths[2] rather than weights which yielded some intermediate figure, but one could certainly not say that their index was any better or worse on methodological grounds than any other index. However, Soviet indexes have been under sharp attack for a practice which cannot be justified on methodological grounds, though it may be explained in terms of expediency. As we have indicated, price weights of the year 1926-27 were used to weight the output of all years until 1950. But because the Soviet Union was relatively unindustrialized in 1926-27, a very large percentage of the industrial products included in the index in later years had not been produced in 1926-27 and therefore had no 1926-27 price. This posed a difficult problem for those constructing the index, a problem met by weighting new products by current prices of their first three-months production or at the time mass production of the product was begun. If prices had been stable over the period under consideration, the resulting index might have been considered acceptable on pragmatic grounds, though still objectionable on methodological grounds because of the hybrid nature of the price weights. Prices were not stable, however, but increased steadily after 1930. To the extent that prices rose, new products would be "priced into" the index at unwarrantedly high levels. This would result in a more rapidly rising index than one based on "real" 1926-27 price weights, since the new products with rela-

[2] Many Western observers feel that the Soviets would have recomputed their indexes in weights of later years if this had not resulted in a substantial decline in rates of growth already published; such a change would undoubtedly have been difficult to make, for political reasons.

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tively the greatest price weights were the products the output of which tended to increase most rapidly. Some Western writers feel that *most* of the "upward bias" of the Soviet indexes is to be attributed to this practice rather than to the use of pre-industrialization price weights. Others defend the practice on pragmatic, though not on methodological, grounds. They point out that (1) although wages and consumers' goods prices were rising, producers' goods prices (and these comprised the bulk of the new commodities) remained relatively stable until 1936 by virtue of huge subsidies granted to heavy industry and transport until that year; and (2) after 1935, an attempt was made by the Soviets to correct the inflationary effect of rising prices by the use of price index coefficients. The debate as to the extent of upward bias introduced into the Soviet index by use of post-1926/27 price weights has never been resolved to the satisfaction of all parties concerned.

These are the major criticisms of Soviet indexes, although they by no means exhaust the list. Many attempts have been made in the West to overcome these deficiencies and to achieve more satisfactory measures of Soviet growth, but none of these attempts could be regarded as successful. The primary achievement of *Soviet Economic Growth* is that it provides us with an eminently satisfactory measure of changes in Soviet industrial production for the prewar period, a fairly satisfactory measure of changes in Soviet national income, as well as a very persuasive analysis of the factors which explain the unprecedentedly large increases in these magnitudes.

Donald R. Hodgman has performed the substantial task of computing a new Soviet index of large-scale industrial production in accordance with acceptable methodologcial procedures. From Soviet sources, Hodgman was able to build up physical quantity series for the period 1927/28-1937 for 137 separate industrial products. These represented almost two-thirds of the value of output of Soviet large-scale industry for that period. The weight of each of these products in the index was then based very ingeniously on the relative size of the payroll per unit of product in each industry in the year 1934. The weighting of an industry

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in the index in theory should correspond to the relative amount of value added by the industry to total industrial output; Hodgman demonstrates that wages and salaries are a very satisfactory measure of the "value-added" by an industry, even more so than final product prices. This is because final product prices in the Soviet economy tend to be distorted badly by both subsidies and sales taxes and do not reflect the basic scarcity relationships of the economy. Payroll weights of the year 1934 were selected as a reasonable compromise between pre- and post-industrialization year weights. Hodgman carries his index through to 1950, but results for the years after 1937 must be considered less reliable for two reasons. First, the number of products for which quantity series are available is sharply reduced. Second, 1934 weights, satisfactory for the earlier period, are less so for the later; they are nevertheless more satisfactory than the hybrid 1926-27 price weights used by the Soviets. Hodgman's summary index and the official Soviet index for the same years are compared in Table 2.

TABLE 2

SOVIET INDUSTRIAL PRODUCTION

Year	*Official Soviet Index*	*Hodgman's Index*
1927-28	100	100
1937	551	371
1940	768	430
1946	582	304
1950	1,332	646

SOURCE: *Soviet Economic Growth*, p. 241.

Hodgman's index shows a much smaller rate of industrial growth than the official Soviet index. Even by Hodgman's measure, however, Soviet industrial growth is very rapid. For the entire twenty-two-year period, Soviet industrial production increased at an average rate of 8.9 per cent annually, despite an actual decline during the war years. The annual rates of increase for the periods 1927/28-1937 and 1946-50 were 15.7 and 20.5 per cent respectively. This substantially exceeds the *peak* rates of industrial growth for other nations over the past hundred years (see Table 3). Some special factors, of course, aided the Soviets:

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TABLE 3

AVERAGE ANNUAL RATES OF INDUSTRIAL GROWTH

United States	1885-89	8.75 per cent
United Kingdom	1885-89	4.56 per cent
Germany	1890-99	5.44 per cent
Sweden	1890-99	9.62 per cent
Russia	1885-89	8.75 per cent
Japan	1907-13	8.59 per cent

SOURCE: Alexander Gerschenkron, "The Rate of Industrial Growth in Russia Since 1885," *Journal of Economic History*, Supplement VII, 1947, entitled *The Tasks of Economic History*, pp. 144ff. It should be noted that the United Kingdom and Germany may have had larger rates of growth in periods earlier than those covered by this paper. The figure for Japan is the only one available.

the postwar period was largely a "recovery" period, hence not really representative; progress in the prewar period also benefited substantially from borrowed technology—the common advantage possessed by "late-comers" to the industrialization process. Nevertheless, the figures leave no doubts about the ability of a centrally controlled economy to organize successfully the production of industrial commodities.

Gregory Grossman attempts for Soviet national income the task performed by Hodgman for industrial production, namely, to find a measure of the rate of growth of national income free from the objectionable practices, mentioned earlier, attributed to the official Soviet index. Grossman bases his estimates on computations made earlier by Naum Jasny. From Jasny, Grossman obtains (and derives) estimates of Soviet national income for the years 1928 and 1937 computed in both 1926-27 prices (adjusted by Jasny for bias introduced by Soviet use of prices of later years[3]) and 1937 prices. The 1926-27 prices yielded approximately a 100 per cent increase over the decade or an annual rate of growth, compounded annually, of about 8 per cent; the 1937 prices, a 57 per cent increase or an annual rate of 5.1 per cent. Considering these to be upper and lower limits respectively, Grossman took the geometric mean, which worked out to a

[3] Since doubts have been cast on the validity of Jasny's adjustments, Grossman's results must be viewed with some reservations. In this writer's opinion, Jasny's underlying data are probably sufficiently accurate so that Grossman's results establish a correct order of magnitude. (Cf. N. Jasny, *The Soviet Economy During the Plan Era*, Stanford, Calif., 1951, *passim*.)

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6½-7 per cent average annual rate of growth for the period 1928-37.

Although the basic data from which Grossman could have calculated directly the rate of growth of national income for the postwar period are not available at present, he makes estimates by various indirect methods for the period 1948-50. The index of national income growth, he finds, is closely correlated with changes in the indexes of mineral consumption, freight traffic, non-agricultural employment, and so forth. Since indexes of these sub-series are available for both 1928-37 and 1948-50, it is possible to infer whether the rate of growth of national income in the latter period was likely to have been less than, equal to, or greater than that in the former. Using these series, generously supplemented by less quantitative information, Grossman concludes that the rate of growth of Soviet national income from 1948 to 1950 was equal to or slightly greater than that for 1928-37.

How do these figures compare with the rates of growth implicit in the official Soviet national income figures? As we would expect, the official rates of growth are much higher: 16 per cent annually for 1928-37, and 19 per cent for 1948-50. Nevertheless, Grossman's results should not be taken as disparaging the Soviet rate of growth. The United States' rate of growth from 1929 to 1950, for example, averaged under 3 per cent a year; from 1940 to 1950, under 5 per cent a year. Statistics presented by Grossman for other countries indicate a lower rate of growth for all other countries with the exception of Japan, which developed at a rate of 6.7 per annum from 1914 to 1937. Grossman's results, like Hodgman's, suggest an extremely rapid rate of growth of the Soviet economy as measured by capitalist standards. And there is no contradiction in the fact that the national income as measured by Grossman appears to have increased at a much slower rate than industrial production as measured by Hodgman. National income includes, among other things, agricultural production; and Soviet agricultural production, as we shall see, increased very slowly over the period in question.[4]

[4] The essays of Galenson (Labor Productivity), Eason (Population and Labor Force), Blackman (Transportation), and Harris (Industrial Resources) all shed additional light on Soviet growth trends, but for considerations of space will not be discussed here.

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Norman Kaplan (Capital Formation and Allocation) cogently supports the Grossman-Hodgman conclusion regarding the rapid rate of Soviet economic development by the presentation of independent data for both the United States and the Soviet Union (pp. 65-77); the burden of his paper, however, studies the rate and direction of Soviet capital formation and compares it with the United States in an effort to understand better how the Soviets managed to industrialize so rapidly. Since a change in capital stock is probably the single most important determinant of changes in the industrial production of developing countries (involuntary unemployment aside), Kaplan's inquiry is significant.[5]

Kaplan disputes the common preconception that the extraordinarily rapid development of Soviet industrial production is explained by the high Soviet rate of capital formation alone. In fact, he demonstrates that there is little difference between the rates of gross investment in the United States and the Soviet Union respectively.[6] A given amount of gross investment does, however, lead to greater increments to output in the Soviet Union than in the United States because less of it is required to replace old equipment (since Soviet capital stock is much smaller to begin with). In other words, although gross rates of investment are roughly equal, the Soviet rate of net investment exceeds that of the United States. This, Kaplan admits, is a factor in explaining the differential rates of growth. He places more emphasis, however, on the direction of investment. His data reveal that the Soviets invested much more heavily in industry and less heavily in housing and certain other sectors than did the United States (see Table 4).

The significance of the following data lies in the difference in capital-output ratios between industry proper on the one hand, and housing and transportation on the other. The capital-output

[5] As Alexander Erlich points out, however (pp. 92ff.), Kaplan fails to acknowledge the importance for Soviet growth of the rapid increase in industrial labor force.

[6] Domar (pp. 87-91) and Millikan (pp. 97-98) question the low Soviet rate of gross investment adduced by Kaplan from the various essays of Bergson and Heymann. On the basis of independent computations, I would go along with Domar, although I do not feel that the understatement is large for 1937 or 1940, the two prewar years studied by Bergson and Heymann. More pertinent, however, is the fact that the rate of investment from 1937 to 1940 was probably somewhat smaller than that from 1929 to 1936 because of large defense expenditures in the later period, as well as the relatively high level of consumption in the years 1937-38.

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TABLE 4

INVESTMENT BY SECTOR IN THE UNITED STATES AND USSR

(per cent of total investment)

	USSR		*US*
Industry	35-50		15-25
Housing			
prewar	8-9	(excl. war and	
postwar	14-18*	depression)	20-30
Railroad transport	11-13	1880-1900	17-21
		1900-1912	13
		1920-1929	5

* The high postwar ratio reflects the need to make good war losses.

ratio expresses for an industry the number of dollars of investment required to produce one dollar of annual output. Residential housing has the highest ratio of any industry in the United States, 7.2; railroad transport ranks fourth with a ratio of 3.2. No aggregate figure for industry as a whole has been computed, but with the exception of a few important industries which have ratios as high as 2.0, most ratios are less than unity.[7] Thus, to increase national output by a given amount in the form of housing services (capital-output ratio, 7.2) requires, for example, roughly fourteen times as much investment as the same increase would require from the machine tool industry, which has a ratio of .5. The significance of this for differential growth is placed in clearer relief by considering that almost half of the capital stock in the United States in 1939 was in high ratio sectors: 33.8 per cent in housing and 12.3 per cent in steam railroad transportation.[8] It is easy to understand the Soviet reluctance during the capital-short 1930's to invest in residential housing and in railroad transport.[9]

Kaplan pushes the analysis further by subdividing industry into the following categories: producers' goods, consumers' goods, and munitions. This classification resembles the Soviet classification of "A" and "B" industries, the former referring to industries

[7] Wassily Leontief, and others, *Studies in the Structure of the American Economy*, New York, 1953, pp. 220-21.

[8] *Ibid.*, p. 225.

[9] It should be noted that high capital-output ratio industries often possess very durable capital equipment. The short-run disadvantages of the high capital-output ratio may be offset over the longer period by the advantage of greater durability.

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producing means of production, and the latter, consumers' goods. Clearly, the greater the emphasis on the "A" or producers' goods industries, the greater the future output potential of a nation. Kaplan demonstrates that of total investment in industry, the Soviets allocate a much higher percentage to producers' goods, or what is commonly called "heavy industry," than does the United States.

It may be inferred from Kaplan's analysis that Soviet industrial growth was as rapid as it was *because of*, rather than *despite*, the existence of central planning and authoritarian control. It seems doubtful that the amount and pattern of Soviet investment would ever be duplicated in an essentially consumer-oriented market economy, particularly if that economy suffered a standard of living relatively as low as the Soviet standard of living. Such a level and pattern of investment, and the rapid economic growth which results, could only be accomplished by an economic system designed to fulfill the wishes of central planners. Resources must be directed, despite the needs and desires of households, predominantly into machines which produce machines (and weapons) rather than into machines which produce consumers' goods and services, including housing.

II

We turn now to a brief consideration of the prospects for Soviet economic growth. Because the quantitative estimates submitted at the conference were inlaid so richly with limiting and qualifying assumptions, discussion is confined here to a summary of the more qualitative appraisals.

There was unanimous agreement among participants that the future growth of the Soviet economy, even in the absence of war or other calamity, would be substantially slower than that recorded in the prewar and early postwar periods. This measure of agreement is not extraordinary. No less a Soviet luminary than Joseph Stalin apparently expected some reduction in the rate of growth: both Grossman and Kaplan point out that the famous Stalin long-term goals of 60 million tons of crude oil, 500 million tons of coal, 50 million tons of pig iron, 60 million tons of steel, and 250 billion kilowatt hours of electric power to be realized in

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"three five-year plans or more"[10] imply a lower rate of growth. There were, however, differences in emphasis among participants regarding the relative importance of the various long-run growth-retarding factors. We will summarize these factors briefly, as well as some of the differences of opinion that were expressed:

(1) It was generally agreed that a slowdown in the rate of growth of the Soviet industrial labor force is inevitable and will serve as a major brake on future industrialization. It was possible to double the industrial labor force in a space of about four years in the early 1930's by drawing surplus labor out of agriculture; in the early postwar years, military demobilization provided expanding industry with a source of labor. Reserves of labor are no longer available in such abundance. (The question of surplus labor in agriculture is taken up again below.)

(2) Timoshenko and Kershaw both stress the well-known fact that only a fraction of the Soviet land mass is fit for cultivation and most of this land is already in use. To meet the growing need for food and industrial raw materials, agricultural output must be expanded. Attempts are being made to extend the area of cultivation by the construction of huge irrigation projects and shelter belts of forest, and to increase yields by large increases in the application of fertilizer. Investment in agriculture having reached a point of rapidly diminishing returns, however, very large amounts of investment which might otherwise be used to expand industry are required to achieve limited agricultural objectives.

Kershaw argues that the land shortage may not only limit the amount of capital available to industry, but may be sufficiently serious to preclude any further release of agricultural labor for employment in industry. He admits that one can always substitute machinery for labor in agriculture; but can this be done over the long run, he asks, without reducing agricultural output? This question is raised in light of the fact that land-short labor-surplus nations typically achieve higher yields per acre by the application of large labor and small machinery inputs than land-rich nations achieve with a more equal combination of labor and

[10] These were enunciated in February 1946, with the exception of the electric power goal, which was published in 1951.

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machinery. Kershaw's provocative hypothesis is questioned on two levels: Bergson adduces interesting evidence to suggest that all surplus labor may not have been drained out of agriculture, a possibility which Kershaw admits;[11] Moorstein doubts both that the margin of cultivation has been extended to the practicable limit and that further substitution of machinery for labor is not possible on a fairly large scale without loss of output. Whatever the answers to these interesting questions, it is clear that the Soviet Union's acute land problems will impede further economic development by limiting the supply of labor and/or capital which can be made available to industry.

(3) In the past the Soviets have neglected housing, other urban facilities, and transportation, all of which have high capital-output ratios. Further industrialization and urbanization would increase pressure on the planners to make good capital deficits in these sectors. As we have already noted, a given amount of investment in these sectors contributes less to the annual national product than investment in industry proper.

(4) Technologically speaking, the Soviet Union is no longer the "late-comer" it was in the 1930's. Accordingly, productivity and output cannot be expected to increase as rapidly as before from the introduction of new types of capital.

(5) Despite these retarding factors, the prewar rate of growth probably could be maintained by increasing net investment substantially above the prewar rate. This is not deemed feasible, in view of the large portion of national output (perhaps one-sixth: reviewer's estimate) currently preempted to meet military requirements. A lessening of East-West tensions would, of course, alter this picture.

These, then, according to the conference participants, are the major forces working against the Soviets in their drive to overtake the West. Where does this leave the Soviets in 1970, the year adopted by the conference as the target for projections? In Grossman's view, *even if* the Soviets attain their prewar rate of

[11] Discussion of Kershaw's paper, which includes an excellent note by Edward Ames in addition to those by Bergson and Moorstein, was most stimulating. Further light is thrown on the subject by I. M. Finegood, "A Critical Analysis of Some Prevailing Concepts Concerning Soviet Agriculture," *Soviet Studies*, IV (July 1952), pp. 15-31; A. Nove and R. D. Laird, "A Note on Labour Utilization in the Kolkhoz," *Soviet Studies*, IV (April 1953), pp. 434-42.

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growth in the period 1950-70, they would by the latter year achieve a national output only approximately equal to that of the United States in 1950. In the absence of a major depression, the United States' national output will probably roughly double between 1950 and 1970. In 1970, therefore, the United States' national income is likely to be about twice as large as that of the Soviet Union. The comparison is still more favorable to the United States from the point of view of per capita income and consumption, because of its smaller population; but less favorable from the point of view of military potential, because of its relative inability to mobilize its resources during peacetime to meet the requirements of heavy industry and the military establishment.

III

The conference participants did not realize how soon some of their projections might be put to the test. The Fifth Five-Year Plan was published hardly three months after the conference was held; this was superseded in many respects roughly one year later (in August-October 1953) by announcement of the much-publicized series of decrees concerning household consumption and agriculture. What was the substance of these decrees and what light, if any, do they cast on the results of the conference? In brief, the decrees decry with unprecedented frankness the failure of the Soviet standard of living to rise rapidly and the failure of agricultural output (including livestock) to increase as planned in the pre-Malenkov era. The decrees further specify in considerable detail measures designed to improve substantially both of these situations within the next few years. It has not been unusual for Soviet leaders to express concern over consumption levels and agriculture; inevitably, however, these goals have been sacrificed on the altar of higher priority for industrial and military objectives. The unusual fanfare which attended the publication of these decrees indicates a greater probability than usual of serious and successful implementation.

One of the more important features of the decrees as they relate to the findings of the conference is the extent to which they underscore agriculture as the problem child of the Soviet economy and as a constraining factor on the future Soviet rate

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of growth. In the short run at least, the level of investment in agriculture is to be increased somewhat as a percentage of total investment. Mechanization, however, particularly of the backward branches, such as vegetables, potatoes, and animal husbandry, will be stepped up sharply. Oddly enough, the great irrigation and shelter belt programs were not mentioned in the decrees. Perhaps the need for quick results has led to the postponement of these longer-run meliorative measures. Nevertheless, had the Soviets not announced, more recently, their intention of putting under cultivation[12] some additional 32 million acres in Kazakhstan, the Urals, and Siberia, it might have been inferred that in terms of existing needs and technology the limits of extensive cultivation had been reached.[13]

The decrees are inconclusive with regard to the Kershaw-Bergson-Moorstein discussion. They do provide for the transfer of labor, particularly agricultural specialists and managerial personnel, into agricultural field work. But a large portion of these are to be drafted not out of industry, but out of administrative jobs in the agricultural bureaucracy. Although the number to be transferred from industry to agriculture appears to be small and is confined to skilled workers, the action is nevertheless significant, because the shortage of labor in industry has always been much more critical for skilled than for unskilled labor. Accordingly, a real conflict between industry and agriculture for skilled labor apparently exists.

One is impressed, in reading the decrees, with the importance of work incentives, particularly in agriculture, to the functioning of the Soviet economic system. The impression is created that if the Soviet peasant had had a stronger incentive to produce and if this incentive had been more appropriately structured to the needs of the economy, the present agricultural crisis might not have assumed such large dimensions, if any. Clearly, it is one thing to construct a plan of production which is feasible in terms of physically available resources and techniques, but another and more difficult problem to provide the incentives or compulsions to ensure effective implementation of plans. Of all the

[12] *New York Times*, March 6, 1954.

[13] This should not be taken to imply that the limits of cultivation can be extended much further.

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conference papers, only Volin's on Agricultural Organization considers the question of incentives in any detail. There is much more to be said on this important problem, however, and it is unfortunate that more time and space were not allotted to it.

The primary objective of the decrees was, clearly, to rally popular support behind the new regime by raising the standard of living, that is to say, by increasing incentives in the broadest sense of the term. Any substantial increase in personal consumption can be achieved, of course, only at the expense of military and/or investment outlays.[14] Should the Soviets find it necessary both to maintain large defense outlays and to increase personal consumption on a continuing basis, the ability of the Soviet economy to grow as it has in the past would be seriously reduced. In effect, the Soviet economy would have lost one of its keys to rapid economic development, its freedom to determine with a minimum of constraint the level and distribution of investment.

Though several members of the conference suggested the possibility that a high level of military outlays might reduce Soviet investment potential, no one seriously considered the possibility that the Soviets might plan for and achieve a much higher level of personal consumption with similar effect. In fact, Professor Alexander Gerschenkron enunciated what might be termed an "iron law of Soviet wages" (pp. 25-28). He hypothesized that maintenance of dictatorial power in the Soviet Union is compatible with only a very narrow range of real wages. On the one hand, the standard of living must be sufficiently above subsistence to prevent "a mass reaction of apathy and passive discontent" and to achieve a "modicum of acquiescence on the part of the population." On the other hand, too large an increase in real wages would "tend to weaken rather than to strengthen the power of the government." This is because "A reduction in the high rate of investment and military expenditures is likely to be interpreted by the population as signifying that the government no longer performs a necessary social function; this will tend to increase the population's resistance to the government's exactions

[14] If Soviet national income increases in the future at, say, a rate of 5 per cent a year, small increases in the level of personal consumption would, of course, be consistent with mildly expanding military and investment programs.

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and to jeopardize its continued exercise of absolute power." These factors, according to Professor Gerschenkron, determine the lower and upper limits, respectively, to the standard of living in the Soviet Union. He goes so far as to suggest that it is primarily (though not exclusively) in these terms that Soviet preference for the perils of cold war rather than for a policy of cooperation with the West is to be understood.

Recent events have not contradicted Professor Gerschenkron's hypothesis. A sharp rise in the lower limit is to be expected at this time for at least two reasons. First, the increase in standard of living projected by the decrees may be interpreted as an attempt by Malenkov to gain mass support in a difficult transfer of power by (1) voicing the popular suspicion that Stalin had "sold the consumer down the river" and (2) assuring the population that they would be better off under the new regime. Second, the low standard of living of the 1930's would have been even less tolerable had the average Soviet citizen known how much worse off he was than his counterpart in the more advanced Western nations. Since millions of Soviet citizens obtained first-hand knowledge of the West during World War II, a higher standard of living is required in the postwar period to achieve that "modicum of acquiescence" to which Professor Gerschenkron refers.

Turning to the decrees, it is noteworthy that the measures prescribed for both agriculture and industry have so far been short-run in character. Moreover, there has been no indication of any substantial cutback in the sum total of expenditures on defense and heavy industry from which resources might be provided to implement expansions in agriculture and in the production of industrial consumers' goods. In fact, new production targets have tended to fall below new sales targets. This, combined with other available information, seems to indicate that the Soviets are attempting to make good their promises of abundance by drawing down domestic stockpiles and by importing consumers' goods at the expense of their foreign reserve position. Obviously, no permanent increase in the standard of living can be supported in this manner.

Although Professor Gerschenkron's hypothesis is not incon-

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sistent with our observations of changes in the level of personal consumption in the Soviet Union, it is not validated thereby. The course of historical events is undoubtedly consistent with other hypotheses as well. It is not on these grounds, however, that I wish to question the hypothesis; instead I would like to probe more deeply into its internal structure, particularly the part concerning the upper limit to the level of consumption which is consistent with the maintenance of political power. I would like to suggest that the upper limit may be very flexible and subject to manipulation by the authorities—in other words, that there may be no absolute upper limit. In his argument Professor Gerschenkron utilizes general concepts like "mass apathy," "passive discontent," and "acquiescence" to describe the aggregative behavior of the Soviet people; these concepts are inclusive, presumably, of social, economic, and political attitudes. My immediate objective is to examine the validity of the upper limit *only* insofar as the economic aspects of total behavior are concerned. Economic attitudes are not unrelated to political and social attitudes, however, and the relationship would seem to be particularly close in the Soviet Union because of the extensive government interference in economic life.

Turning now to the problem of economic behavior, the first question to be asked is, What relationship, if any, exists between the standard of living of a people and its incentive to work? Most economists are agreed that if there is a relationship, the direction of effect is unknown,[15] and that in any case the effect is more or less overwhelmed by other and more important relationships. These other relationships are well known. Other things being equal, people tend to work harder (a) the more closely their rewards are related to the extra effort or skill they display, (b) the greater the distance between their actual level of consumption and their horizon of wants and desires, and (c) the more closely their efforts can be supervised (in a directly controlled economy).

[15] It can be argued that if the people are poor, they will work harder to achieve a certain standard of living; or, alternatively, that they will work less hard because the fruits of the labor are so meager. Or if they are rich, they may work less hard because their unsatisfied needs are fewer; or alternatively, they may work harder because the rewards are greater.

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The first relationship mentioned implies unequal distribution of incomes, and depends for its effectiveness on a modicum of freedom and mobility in the labor market. Common manifestations are the adverse impact on incentives of progressive taxation and the favorable impact on incentives of higher pay for overtime work. In industry, the Soviets exploit this relationship to the hilt. In the early 1920's, under the influence of an egalitarian philosophy, wage differentials were all but eliminated. This played such havoc with incentives that differentials were restored; today the wage spread between different grades of labor in the USSR is at least as great as, if not greater than, that in the United States. Moreover, about 75 per cent of Soviet workers in industry are paid by the piece, and a large percentage of these are on a progressive piece-rate system. The Soviets have taken care that the favorable effect on incentives of these various wage schemes is not vitiated by the manner in which their huge tax burden is distributed—the structure of Soviet taxes may be proportional or mildly regressive, but is definitely not progressive.[16]

It is instructive, I think, for the point at issue, to observe that the peasant has typically demonstrated less zeal for his job (on the collective farm) than the factory worker. The collective farmers' lack of incentive may be attributed in part to the fact that rewards have been neither adequately differentiated nor in general related closely enough to effort or skill, particularly in comparison with the returns from cultivating private garden plots.[17] Moreover, it is more difficult to supervise labor on a collective farm than in the average industrial plant. There is reason to believe that collective farms would be less unpopular with the peasants were they to compensate effort and skill more adequately.

The second relationship affecting work incentives mentioned above is related to the first: the distance between a person's actual standard of living and his want-horizon depends to a considerable extent on his neighbor's standard of living. The

[16] See F. D. Holzman, *Soviet Taxation: The Financial Problems of a Planned Economy* (Cambridge, Mass., forthcoming), ch. 6.

[17] The peasant is the residual claimant to the receipts of the collective farm after all costs and exactions of the state have been met. Each individual's share of proceeds depends, therefore, not only upon his own efforts but upon weather conditions, fertility of the kolkhoz plot, and the efforts of his fellow farmers.

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neighbor in this case can be a person living across the street, in another town, or in another country. Wants are easily expandable and are usually expanded when persons observe their neighbors consuming commodities which they don't have, and want. More generally, wants expand with the appearance on the market of entirely new commodities. The Soviets exploit this human proclivity by producing small numbers of specialty commodities (refrigerators, TV sets, etc.) before the basic requirements of the population as a whole with regard to food, clothing, and shelter have been adequately taken care of.

On the basis of the preceding observations, I would agree with Professor Gerschenkron regarding his lower limit, but would disagree (as I have already indicated) on the existence of an upper limit. A lower limit exists because the freedom of a dictator to differentiate incomes for incentive purposes is constrained more and more as the amount of resources allocated to personal consumption declines. Families at the lower end of the scale cannot be forced below subsistence; those at the upper end must be deprived until subsistence for everyone is assured. The need to ration necessities in most countries during wartime is a case in point.

There would seem to be no necessary reason, however, in terms of economic attitudes, for resistance to dictatorship to develop when a particular rate of personal consumption not too far above the lower limit is reached. On the contrary, as the amount of resources available for producing consumers' goods rises, it should be possible to increase incentives by increasing wage spreads, by increasing the variety of goods and services which can be purchased, and by maintaining a close relationship between effort and reward. Even if the Soviet standard of living rose steadily for many years, in the eyes of the Soviet people the economy would remain a scarcity economy if the development of new wants kept pace with the satisfaction of old wants. It has commonly been observed in countries with rising standards of living that as new luxuries appear on the horizon, the luxuries of yesteryear become the necessities of the present. This explains why there has been no substantial diminution in economic incen-

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tives in the United States over the past hundred years, despite rapid increases in standards of living.

Although we have been concerned only with economic relationships, there can be no doubt but that economic incentives and satisfactions, particularly in a planned economy, affect political behavior and social behavior in general. Other things being equal, one would expect less political disaffection in a situation in which economic incentives were healthy than in one in which economic incentives were absent. In view of the economic effects discussed above and of the very complex nature of political loyalty,[18] a reevaluation of the hypothesis of the upper limit would seem to be in order.

Before leaving the problem of the upper limit, I would like to consider briefly three related issues. First, how much direct control is needed to maintain power in the Soviet Union? Most observers would agree, I think, that there is today no chance of revolt from below in the Soviet Union. Certainly, some relaxation of controls could be allowed without loss of power.[19] Yugoslavia would seem to illustrate this point: over the past five years there has been some easing of both economic and political controls—would Professor Gerschenkron have predicted this five years ago?—yet Tito remains a powerful dictator.

Second, it is pertinent to point out that many of the controls which are enforced in Soviet industry are a direct result not of the high rate of expenditures on military and investment requirements, but of the fact that the Soviet planners have typically set plant and industry production goals too high to be fulfilled with available supplies of the factors of production. It is probably true, of course, that goals are set so high largely because of the urgency with which the planners view their military and investment targets. Nevertheless, Soviet expenditures on military and investment requirements are so large that even if they were substantially reduced, and the level of consumption thereby substantially raised, targets might still be set in excess of availabilities, and

[18] See Raymond A. Bauer, "The Problem of Political Loyalty," unpublished seminar paper available at the Russian Research Center, Harvard University.

[19] Within the framework of the upper limit hypothesis, this would provide scope for raising the standard of living.

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there might occur no significant relaxation of controls. Conversely, a change in planning techniques could lead to fewer controls, the level of consumption remaining unchanged.[20]

Third, I would like to register my doubts regarding the usefulness of a basic premise of the upper limit hypothesis, namely, that dictatorial governments are impelled to maintain themselves in power. All governments and political parties try to maintain power; therefore, the premise, in my opinion, is unlikely to lead to interesting conclusions. For fruitful analysis, it would seem necessary to specify in every historical instance that is to be studied not only the power motive, but the other goals of government and the relative importance of these other goals and the power motives.[21]

Returning to the question of Soviet economic growth, Professor Gerschenkron's hypothesis, if valid, implies little, if any, diminution in the Soviet rate of growth in the near future. He explicitly predicts ". . . the maintenance of a high rate of non-consumption [i.e., investment and military expenditures] which rises as national income grows. . . ." Even if this hypothesis should be wrong, his prediction may be correct. The Kremlin may be driven by other motivations (e.g., fear of eventual military conflict with the West) to keep the rate of non-consumption high.

It is still too early to know whether the recent measures augur a real change in the status of Soviet consumers or not. At least Malenkov's statement of intentions must be taken more seriously than previous Soviet promises on this subject. Fulfillment of the new consumption goals need not entail a slackening in the rate of economic development: relaxation of the cold war could lead to an increase in *both* consumption and investment. It may be significant that the recent Soviet peace overtures originated at roughly the same time as Malenkov's extravagant promises to the Soviet consumer. Perhaps the Soviet leaders feel that they have sufficiently exploited the political advantage derived from large investment in weapons; that further expenditures along

[20] Yugoslavia appears to be a case in point.

[21] An excellent discussion of the limitations of the power goal to explain the behavior of Soviet leaders is presented by Barrington Moore, Jr., in his new book, *Terror and Progress—USSR*, Cambridge, Mass., 1954, pp. 11-13.

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these lines would be either too risky or subject to rapidly diminishing returns; that more is to be gained in the near future by a concentration of resources in domestic economic development and standard of living. The next five years should reveal whether or not these speculations are correct.

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PANIKKARISM, THE HIGHEST STAGE OF OPPORTUNISM

BY GUY J. PAUKER

K. M. Panikkar, *Asia and Western Dominance: A Survey of the Vasco da Gama Epoch of Asian History, 1498-1945*, London, George Allen & Unwin Ltd., 1953, 530 pp. 30s.

I

HISTORY has to be selective, else it would take as long to write it as it took to make it. When it flows from a skillful pen, it is sometimes hard to tell whether the choice of material was determined primarily by theoretical interest, emotional bias, ulterior motive, or partial ignorance.

A book which attempts to understand and characterize a whole historical period, including relations between continents, each of which possesses several cultures, could hardly avoid intellectual and sentimental predilections. Even accomplished scholarly devotion will not always fill all the gaps in one's knowledge.

Whether, in writing, an author conceives his work largely as an end in itself or as a means toward other goals best known to himself is another, more delicate, question. One would like to be guided, in passing judgment, by some standards of due process, yet there are no obvious canons.

Interesting personalities are, more often than not, propelled by complex motivations. In disentangling and weighing these, in connecting the various landmarks in a man's career, one is often compelled to rely heavily on circumstantial evidence. Consequently, when a pattern emerges and the personality of the author seems to become apparent through his books, one may simply have projected one's imagination onto the facts and have been grossly deceived.

Yet, after some effort at understanding him, I cannot avoid the feeling that when Mr. K. M. Panikkar publishes a new book, he has hammered out a stepping-stone rather than a statue. In the course of his career, books have been followed with impressive regularity by positions in public life of increasing importance,

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almost invariably in spheres of activity to which he had just devoted scholarly efforts. This might, to be sure, simply indicate an unusually rapid recognition of marked competence in various fields.

Through time, Mr. Panikkar has pursued several lines of interest, with enough consistency in his points of view not to be dismissed lightly as a gifted weathervane. After a score of his available volumes have been examined, he appears as a liberal conservative, with a constant interest in India's past and present and a solid respect for the British. A Dixon Scholar of Christ Church, Oxford, he acquired professorial dignity at the Muslim University Aligarh while still in his middle twenties. He then became an editor of the *Hindustan Times* and a barrister-at-law. His writings during this period focused on the relations of Indian States with the central government. Several such publications, with forewords by British and Indian dignitaries, paralleled his ascension to the position of Deputy Director of the Special Organization of the Chamber of Princes, Secretary of the Chamber of Princes, and Secretary to the Indian Princes' delegation to the Round Table Conferences.

In the second decade of this rich and variegated career, Mr. Panikkar rose to be Foreign Minister of Patiala. This advance was marked by an appropriately eulogistic account of the Maharaja of Patiala's chancellorship of the Chamber of Princes. He also wrote in 1937 a lengthy biography of the Maharaja of Bikaner, his most voluminous among usually rather concise writings. Several years later Sardar Panikkar became Prime Minister of Bikaner.[1]

Other books mark this interest in autocratic Indian rulers. One, recently reprinted, first published in 1930, is the revealing biography of Maharaja Gulab Singh, the founder of the Kashmir state. Some salient comments are worth quoting:

> The only case in nineteenth century India when a man beginning as a petty official in a Court conquered kingdoms and territories and established himself as a sovereign. In a century barren of political achievement in India Gulab Singh stands out as a solitary figure of eminence. . . . He is the only ruler in India's long history who could be said to have extended the geographical boundaries of India. . . . The

[1] In 1931, Patiala had a population of 1,625,520; and Bikaner, a population of 936,218.

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> Maharaja's forces routed the Tibetan army and extended the border of India to the other side of the Himalayas. . . .
>
> Where his interests required he did not hesitate to resort to tricks and stratagems which would in ordinary life be considered dishonourable. He was trained in a hard school, where lying, intrigue, and treachery were all considered part and parcel of politics. He was undoubtedly an opportunist. . . .
>
> When everything is considered, Gulab Singh will appear as one of the few great Indian figures of the nineteenth century.[2]

Mr. Panikkar's admiration for Gulab Singh is consistent with his interpretation of ancient Hindu political theory, the Machiavellian character of which he once expounded in a series of lectures. These provide a timely warning that stereotypes based on, say, Arthur Koestler's *The Yogi and the Commissar* may not be very helpful in explaining Indian political behavior. For, according to Mr. Panikkar, ancient Hindu theorists insist

> that as the state alone affords protection and makes virtue possible, for the protection of the State all means are permissible. A king who does not protect his state by all the methods possible, whether moral or immoral, is considered to be unfit for his position. Kautalya especially lays down the theory that the state is above morals and the king should not in the public interest hesitate to poison and assassinate secret enemies within the state or to create disaffection in other states.[3]

It would, of course, be unfair to distort such quotations into an exposition of the author's own views on the subject of morality in public life. All one can say is that Mr. Panikkar was most knowledgeable on these matters long before his mission to Peking, as India's first ambassador to Communist China, gave him unique opportunities to observe commissars in action and to contribute significantly, according to informed reporters,[4] in shaping Indian attitudes toward Chinese Communism.

The diplomatic phase of Mr. Panikkar's career was, again, marked by various books and articles. After the Eighth Conference of the Institute of Pacific Relations, at Mont Tremblant, Quebec, in December 1942, he was asked to write a study on the general problem of security and political and economic progress in Southeast Asia. His book advocated an Indo-British

[2] *The Founding of the Kashmir State: A Biography of Gulab Singh, 1791-1858*, London, 1953, pp. 151-60.

[3] *Origin and Evolution of Kingship in India*, Baroda, State Press, 1938, p. 114.

[4] Cf. Harold R. Isaacs, in *The Reporter*, May 25, 1954.

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partnership based on a "non-racial conception of freedom" as a basis for a "fourth British Empire" which would be "a world commonwealth, in a true sense, and one which will be justly entitled to claim the moral leadership of the world."[5]

After the war, but before India and Pakistan gained their independence, Mr. Panikkar advocated an Anglo-Indian alliance. He now used geopolitical considerations based on Mackinder's distinction between the Heartland and the Rimland:

> The continental system of Europe, based on a fair equality of strength between two or three great powers, in whose rivalries and jealousies other States found opportunities of survival, has vanished beyond recall. It is only the maritime States of the Rimland of the Eurasian continent that remain outside the orbit of the great continental organization of Russia.
>
> The survival of this Rimland, which extends from Britain to Indonesia, depends on its organization as a close alliance of maritime States. Such an alliance means the creation of a Western bloc in Europe with Great Britain in the centre, and an organization of the Indian Ocean area with India as its centre. . . .[6]

This is an interesting suggestion, to say the least, coming from a man whose diplomatic career later gave him a strategic position in the context of India's neutralist efforts and who is even credited with the "neutralist sounds" coming from Cairo, his second ambassadorial post.[7] Mr. Panikkar's rising prominence in international affairs was underlined in October 1950 when the Indian government, opposing the Security Council's resolution to cross the Thirty-eighth Parallel in Korea, issued a warning on the basis of communications from its ambassador in Peking that the crossing would bring China into the conflict.[8] His name was again in the news when Communist China's Premier Chou En-lai met behind closed doors and in absolute secrecy with Prime Minister Nehru in June 1954 in New Delhi. Although his participation apparently did not materialize, it had been implied earlier that Sardar Panikkar would be associated with the discussions[9] as the

[5] *The Future of South-east Asia: An Indian View*, New York, 1943, p. 50.
[6] *The Basis of an Indo-British Treaty*, New Delhi, Indian Council of World Affairs, 1946, p. 26.
[7] Cf. Isaacs, *loc.cit.*
[8] Cf. W. Norman Brown, *The United States and India and Pakistan*, Cambridge, Mass., 1953, p. 255.
[9] Cf. *New York Times*, June 26, 1954.

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only other participant. Clearly, while abstaining from the less comfortable forms of political action and lacking political power in his own right, Mr. Panikkar has succeeded, through time, in securing a significant measure of political influence. In these efforts his writings have played no minor part, although the author had probably some other strings to his bow.

II

In 1953 Mr. Panikkar published a lengthy study entitled *Asia and Western Dominance: A Survey of the Vasco da Gama Epoch of Asian History, 1498-1945*. He informs his readers that the idea of writing a history of European relations with Asian countries came to him in December 1925, on the beach of Belem, Portugal, from where Vasco da Gama set out on his historic voyage to the East. The project had then lain dormant until he watched the European warships evacuate their bases on the mainland of China in 1949. Mr. Panikkar's career proves his flair for timing. He could have written this book years ago. Life was hardly less leisurely in Patiala or Bikaner. He had already completed substantial research on the subject in Portuguese, British, and Dutch archives twenty years ago. He had even published three limited monographs, on *Malabar and the Portuguese, Malabar and the Dutch,* and *India and the Indian Ocean.* But the age of Western overseas colonial expansion has come to an end only since World War II and now is indeed the time to make up accounts.

In recent years various studies have been published by historians, cultural anthropologists, and philosophers on contact and clash between the West and other cultures. The changing power structure of the postwar world has occasioned numerous agonizing reappraisals concerning past and future relations between nations. A book by an author who, as a young man, won the *Manchester Guardian's* praise as "quite the best writer among Indian publicists" is bound to be noted not only by other students of the subject, but also in those circles in which political and diplomatic careers are determined.

Most reviewers, in English-speaking countries at least, have so far been sharply critical of the book. Mr. Panikkar has been attacked for using dubious sources, for erratic references, for

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misspelling proper names, like Yule (p. 63) for Elihu Yale, even for having Commodore Perry arrive off the Japanese coast in 1752, on page 89, although on page 201 he gives the correct date: July 8, 1853. He has been accused of misunderstanding the nature of Asian nationalism or of being anti-British.

But his book is much more interesting if one examines it as a purposive effort to write, or perhaps to rewrite, history in accordance with the expectations of a certain Asian audience—namely, those who have been too deeply molded by the West to cast away its heritage, but who are craving for a rationale which would make it easier to adjust to the power situation in Asia as they see it now. This group represents, in my judgment, a very important part of Asia's new elite. Their appraisal of a book will be determined by other elements than a few misprints or the use of some dubious sources. They might be willing to overlook a few rotten trees here and there, if they like the forest. Mr. Panikkar's latest book might, in fact, tell a lot about the way "neutralist" Asian intellectuals want at present to see the history of Asia's relations with the West.

For those who like to take their review articles with a dash of theory, I would suggest that Mr. Panikkar is writing history with less concern for *wie es wirklich gewesen ist* than for his role as an Asian historian oriented toward "neutralist" intellectuals. He probably wrote so as to comply with their role-expectations and to win the sanction of their approval.

Judging from his past performances, I would ascribe few of the author's sins of omission or commission either to ignorance or to emotional distortion, but rather to deliberate selection, guided by the expectations of the public to which he addresses himself. Before India achieved independence, Mr. Panikkar had studiously cultivated the hereditary potentates who governed almost a third of India's population. These 562 princes have since lost their ruling powers, but it is not unlikely that Mr. Panikkar is well on his way to finding a new audience in Asia's ambivalent intelligentsia.

Mr. Panikkar's analysis of the determinants of European expansion is a sophisticated one. He makes, rightly in my judgment, no attempt to reduce vast historical processes to simple causes.

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He characterizes the period which he decided to call the "da Gama epoch" as possessing a singular structural unity in the dominance of maritime power over the land masses of Asia, in the imposition of a commercial economy on agrarian communities, in Europe's political domination over the affairs of Asia, and in the attempt to Christianize Asia. But it is indeed remarkable how, in contradistinction to Marxist writers and advocates of cruder versions of economic determinism, he avoids undue emphasis on the profit motive.

Early European expansion appears as no "puppet show managed by clever merchants from behind the scenes," but part of a ground strategy against the political strength of Islam. Later, under the impact of the Counter Reformation, the initial impulse to destroy the Moors was supplemented by a drive to convert the heathen. While maximum benefits were extracted from the trade monopoly in spices, gems, and silks, Mr. Panikkar considers the religious fervor behind the Portuguese endeavor more noteworthy than their greed.

Mr. Panikkar belongs to the Nayar caste, in past centuries the military aristocrats of the Malabar coast and commanders-in-chief of the Zamorin of Calicut's troops. This might account, in part at least, for his insistent explanation of early Portuguese victories as the result of superior armament, rather than of navigational skill or superior valor. Major successes are not seen as military at all, but as the outcome of Indian and Indonesian divisions between Hindus and Muslims which gave the Portuguese natural Hindu allies against the common Muslim enemy.

Acts of barbarism, such as bombarding Calicut after a number of Portuguese had been killed in a popular outbreak, or setting Moorish ships afire, are discussed in great detail, with the conclusion that part of the accepted creed of Europe's relations with Asia was that

> the doctrines of international law did not apply outside Europe, that what would be barbarism in London or Paris is civilized conduct in Peking (e.g. the burning of the Summer Palace) and that European nations had no moral obligations in dealing with Asian peoples (as for example when Britain insisted on the opium trade against the laws of China, though opium smoking was prohibited by law in England itself) . . . (pp. 42-43).

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Later in his book, Mr. Panikkar tells in some detail the cheerless story of the opium trade. This is a fairly careful and accurate account, rather restrained in tone. But Western scholars have also related these facts in detail and, even more, the archives of Jardine, Matheson and Company are available at the Cambridge University Library for further study.[10] No Orwellian Ministry of Truth (Department of Records) has touched them during the last century. What puts Mr. Panikkar so obviously in a special category of writers is precisely the striking contrast between his ability to handle his material in a scholarly fashion when he so wishes and his ludicrous treatment of, say, Russia's role in the Far East, about which more will be said below.

On the other hand, in analyzing Mr. Panikkar's book as a sample of Asian selection of facts from the total record, one cannot overlook the disgust with which he records how a party of British officers, armed with hatchets and chisels, cut off and carried away glazed tiles from the Porcelain Pagoda in Nanking, in September 1842. He comments: "This inveterate tendency to desecrate and destroy was repeated again and again in European relations with China, in the Summer Palace in 1860, in Tientsin in 1870, and in Peking itself in 1900" (p. 131). A few pages later Mr. Panikkar tells how, advancing to the Summer Palace in Peking, in 1860,

> . . . the Allied soldiery and their chiefs repeated the vandalism which we noticed in regard to the Porcelain Pagoda at Nanking. The Palace, which according to the French Commander Montauban "was of a character that nothing in our Europe can give any idea of such luxury," was systematically plundered by the officers.
>
> Not satisfied with this, after entering Peking, Lord Elgin ordered the burning of the Summer Palace . . . (p. 137).

He then comments:

> By a strange process of reasoning, the Europeans have, throughout their relations with Asians, convinced themselves that acts of savagery will increase their prestige in the eyes of Asian people.
>
> The event did create a lasting impression, one of burning hatred mixed with unspoken contempt of the character of the "barbarians." The burning of the Summer Palace has not been forgotten and the present writer was told by a high official of the Central People's Gov-

[10] Cf. John King Fairbank, *Trade and Diplomacy on the China Coast*, Cambridge, Mass., 1953, especially Vol. I, chs. 4 and 5.

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ernment in 1951 that the account is still left open and awaits settlement (*ibid.*).

While all this may be a distorted account, as earlier reviewers have pointed out,[11] I feel no propensity to defend the West on this score. No Chinese troops have carried away souvenirs from Chartres or set Windsor Castle afire. Vandalism in Europe, over the last millennium, has taken place exclusively within the Western family itself. As for Mr. Panikkar, it is noteworthy that he weights these events more heavily than do the usual accounts of imperialist exploitation. There is subtlety in this attack upon the very core of Western claims to superior civilization.

The same tendency to turn the tables on the West and make Europeans appear as cultural barbarians appears in the otherwise fairly routine treatment of British rule in India after the Great Rebellion of 1857-58. He discusses, as one would expect, the racism which "constituted the distinguishing characteristic of British rule in the East in the nineteenth century" and the elaborate code, formulae, and ceremonies devised to keep up the authority of the white man. He considers it a foolish belief on the part of Europeans to expect Indians to be impressed by grandeur:

> It was only in the twenties of the next century, when they saw the strange phenomenon of a "naked fakir" being honoured by proud potentates who had refused to bend at *durbars*, that doubts began to assail them. But anyone with normal vision could have told them even in 1877, when Lytton held his first imperial *durbar*, that generally in India what conferred prestige was neither rank nor power, but the reputation for goodness and holiness (p. 153).

This is an impressive statement, even when it comes from a man who spent most of his life as a courtier, and who was not a follower of Gandhi. But although this might again hit its target among the new intelligentsia whose only jewels are their diplomas, it is a most debatable point. The pomp that Europeans learned to display in Asia was largely an imitation of the behavior patterns of native potentates who, through such methods, have kept the ignorant and superstitious peasants in awe for centuries,

[11] Cf. Henry H. Hart, "One Indian's Perspective," *New York Times Book Review*, March 7, 1954.

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according to one of the most knowledgeable men in South Asia, Indonesia's Hadji Agus Salim.

III

The history of these last five centuries can be viewed as dominated by an outburst or a release of energy among the peoples living on a small western promontory of the Eurasian land mass. The various channels into which this energy went, the different kinds of imperialism that resulted, may have been determined in part by specific characteristics of the various Western sub-cultures. Circumstances such as the resistance that they encountered may also have played an important role. In thinly settled areas, or when a political vacuum existed, the two ugly work-horses of imperialism, coercion and deception, may have been driven less hard. In some cases, the victims may have been less articulate.

All such considerations are largely ignored in what is perhaps the most vulnerable part in Mr. Panikkar's account, namely, the way he portrays Russia's role in Asia. It is true that the Russians did not suffer from the disease of racism and thus did not infect the peoples whom they conquered with the equally harmful disease of a sense of inferiority. But British attitudes of racial superiority developed late in Britain's imperialist career and a fair comparison with the attitudes of the Russians would take the specific circumstances into account. The Portuguese in Southeast Asia and the Russians, centuries later, in Central Asia have been brutal conquerors, but are among the least racist Europeans in their contacts with non-white groups. Is there any possible relation with the fact that Portugal had been under Moorish rule and Russia under Tartar domination?

Few such questions are raised by Mr. Panikkar. But these are sins of omission. Less acceptable is the visible effort to whitewash the Russians. Very little is said about the Near and Middle East. Mr. Panikkar mentions in passing the Tsarist conquest of Central Asia as taking place "gradually without any serious military operations." Those who know the record will not take this to mean "bloodless" or "peaceful" and will match it with the astonishingly small-scale operations needed to subdue so many

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other parts of the world. Those who know little about Russian expansion will read into the statement what Mr. Panikkar apparently wants to establish, namely, the notion that by contrast with other white conquerors the Russians behaved very well. This aspect of Mr. Panikkar's book is certainly more serious than the misprints or heresies of detail for which some reviewers have attacked him.

With his subtle sense for the right word, Mr. Panikkar does not forget to comment on the less than chivalrous methods by which the British won the battle of Plassey ("a transaction, not a battle"). I do not believe that his contrasting vagueness and ambiguity in writing about the Russians is accidental. Elsewhere, he is not averse to the use of piquant, even though somewhat irrelevant, details. He tells, with perfectly understandable glee, how a certain Mohammed Ali,

> one of the vilest characters in history, achieved a remarkable eminence by the amount of his debts (mostly created by collusion), by the corruption he introduced in *British* politics where through pocket boroughs he maintained no less than six members of Parliament at one time . . . (p. 98; author's italics).

Interesting as this may be, one wonders why such an episode finds a place in a volume that has not a word to say, even to challenge past assertions, about one of the worst cases of corruption and bribery in the relations between an Asian and a European nation, namely, the millions handed out by Tsarist negotiators to Li Hung-chang and other Chinese dignitaries at the end of the nineteenth century. Mr. Panikkar's account is almost comical in its selective purity:

> From 1895 begins a new chapter of Sino-Russian relations, of which the governing factor is not China itself, but the known ambitions of Japan to control Korea. The attitude of Russia in respect of the surrender of Liaotung had converted Li Hung-chang, who had so far been an advocate of collaboration with the United Kingdom and the United States, into a friend of Sino-Russian co-operation (p. 241).

Li Hung-chang, one of the most important Chinese statesmen of the nineteenth century, went to Russia in 1896 as commissioner to the coronation of the Tsar. There he was offered a bribe equivalent to about one and a half million dollars if he would agree to the Russian proposals concerning the Chinese Eastern

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Railway and get them accepted in Peking. While it is apparently true that the bribery was not decisive in making up Li's mind, as he was indeed disgusted with England's "desertion" of China in 1895,[12] the episode certainly tells more about Russian methods than Mr. Panikkar cares to attest to.

The following year, when Li was Minister of the Tsungli Yamen (Foreign Office), an aide of Count Witte remitted a million rubles in support of the Russian railroad construction demands.[13] In 1898, Li and another Chinese negotiator were each offered a bribe of five hundred thousand taels if the matter of Port Arthur were arranged in the next few days.[14] Another million rubles were involved in the negotiations between Li and Count Witte's agent concerning Russia's position in Manchuria.[15] It is not easy to understand how Mr. Panikkar overlooked such excellent opportunities to voice indignation concerning imperialist methods. Even the standard Soviet diplomatic history textbook tells the story, with the sardonic though inaccurate comment that Li's death saved the Russians from paying more than one installment of the promised bribe.[16]

Yet these may be petty matters to a realist such as Mr. Panikkar, as they concern only political means. Much more significant is the distortion of Russia's political ends in the Far East.

Tsarist policy in that period was an intricate affair. This is not the place to disentangle the threads. Eminent historians like Professor Langer have little doubt that "Witte envisaged a steady peaceful penetration of Russian influence, eventual undisputed control at Peking and so something in the nature of a protectorate over all China." Professor Langer thinks that this policy had an excellent chance of succeeding until Muraviev's strong-arm methods at Port Arthur in 1898 effected a clear break with Witte's policy.[17] Both approaches could be explained in terms of the inner dynamics of Russian expansionism. What Mr. Panikkar makes of it is ludicrous:

[12] Cf. W. L. Langer, *The Diplomacy of Imperialism*, New York, 2nd ed., 1951, p. 403.
[13] *Ibid.*, p. 411.
[14] *Ibid.*, p. 474.
[15] *Ibid.*, p. 712.
[16] V. P. Potemkin, ed., *Geschichte der Diplomatie*, Moscow, Verlag für Fremdsprachige Literatur, 1947, II, p. 145.
[17] Langer, *op.cit.*, pp. 454, 478.

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> During this period of seven years, from 1897-1904, under the baleful influence of Wilhelm II, Russia became an active participant in the policy of the Western nations to take full advantage of the weakness of China. She claimed the inclusion in loan arrangements, pretended to special rights in railway construction and was prepared to join with others in putting pressure on China. She began to expand her authority on the Manchurian railways, and while no territorial claims were put forward in respect of Manchuria itself, there was a noticeable tendency to consider that area as being within the Russian sphere of influence, perhaps for the reason that in view of the proximity of her own frontiers she desired to exclude from it British influence which Russia feared ever since the abortive attempts of British naval authorities in the North Pacific during the Crimean War (pp. 242-43).

Russia seduced by the Kaiser! Would Mr. Panikkar in support of his argument quote Emperor William's letter to the Tsar, after the joint *démarche* of Russia, France, and Germany in Tokyo in 1895 forced the Japanese to retrocede their acquisitions on the mainland? The Kaiser, with his customary grandiloquence, wrote:

> I shall certainly do all in my power to keep Europe quiet, and also to guard the rear of Russia so that nobody shall hamper your action towards the Far East. For that is clearly the great task of the future for Russia to cultivate the Asian continent and to defend Europe from the inroads of the Great Yellow race. . . . I shall with interest await the further development of our action and hope that, just as I will gladly help you to settle the question of eventual annexations of portions of territory for Russia, you will kindly see that Germany may also be able to acquire a port somewhere where it does not *gêne* you.[18]

Another possible interpretation of Mr. Panikkar's version of these events is that he has really no understanding or knowledge of Russia, as Professor Hugh Seton-Watson suggests in his review of this controversial book.[19] Perhaps his views on Russia were shaped by Chinese memorials which he may have seen in Peking. In one such document, which has just become available in English, Chang Chih-tung, an important rival of Li Hung-chang, suggested in August 1895 an alliance with Russia, using such arguments as:

> It is known that Russia, as China's neighbor, has kept treaty agreements with us for more than two hundred years, and that she has never embarked on hostilities; she is different from other countries who have

[18] Quoted in *ibid.*, p. 187.
[19] "Asian Nationalism," *Encounter*, II (October 1953), p. 73.

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> frequently resorted to warfare with us. Moreover, her behavior is proud and generous, and cannot be compared with that of the Europeans.[20]

Such statements may have gained a new prominence in official Chinese and Russian historiography, but they only tell what Chinese statesmen thought, not what the Russian government actually planned. Judging from Mr. Panikkar's total record as a publicist, I strongly doubt his lack of information. After all, it takes little effort to discover that the end of the "Vasco da Gama epoch" has not brought about the withdrawal of the Russian navy from Port Arthur.

As Mr. Panikkar is not a Marxist, he extricates himself from the delicate task of writing a chapter about the impact of the Russian Revolution on Asia by limiting his comments to a few cordial pages. The right to development of national minorities, proclaimed by Lenin and Stalin, "was indeed an explosive statement and all the nations of Asia, struggling for freedom, heard it with a new hope." Soviet industrialization "gave to the peoples of Asia the hope of industrial regeneration and economic independence." The Russian Revolution also "undermined effectively" Western intellectual domination and "quickened the pulse of the peoples of Asia" (pp. 250-53).

For a somewhat more candid exposition of Mr. Panikkar's views on Communism one has to return to an earlier book, from his *période anglaise*, the already mentioned *The Future of South-east Asia*. At that time he recommended an Indo-British alliance to prevent India from being drawn into the Soviet orbit and "organized on the basis of Soviet republics." While noting that such an event "may not be considered unwholesome by many," Mr. Panikkar added:

> The misery which will follow from such a violent reorganization, the civil war which will inevitably accompany it, the destruction of the imposing edifice of an ancient culture, these, our impatient idealists consider as but a small price to pay for the changes that India has been waiting for.[21]

His views on what D. W. Brogan calls "the price of revolution" have apparently changed during his *période chinoise*, but are not recorded in this volume.

[20] Reproduced in Ssu-yü Teng and John King Fairbank, *China's Response to the West*, Cambridge, Mass., 1954, p. 129.

[21] *The Future of South-east Asia*, p. 58.

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IV

After several hundred pages devoted to what is by and large a hostile account of Western influences on the peoples and cultures of Asia, a surprising sequence of tributes appears in the concluding chapter. "The imperialist relationship," we are told, "had the result of importing into Asia advanced technical skills and scientific knowledge." A romantic nationalist would deplore this as destructive of indigenous culture. A radical Westernizer would praise it as the march of progress. Mr. Panikkar avoids explicit evaluation, but his tone is sympathetic. Like many leading modern students of imperialism, he is aware of the frequent conflict between colonial administrators "inclined to emphasize the welfare aspect of their work" and commercial interests which "considered the territories as areas for exploitation." His explanation of this fact is perhaps based on dubious grounds, but it is worth recording:

> No danger to the supremacy of Europe was suspected as being inherent in this development, for even at the end of the nineteenth century the Europeans—even the most progressive among them—were convinced that their superiority was divinely ordained and was safe at least for centuries to come. . . . Therefore the humanitarian ideal of educating the Asian people and of encouraging them to develop at least those skills which were necessary for the more effective discharge of the white man's mission, was pursued without any sense of fear (pp. 486-87).

Granted that, by and large, the process of emancipation from imperialist control, of nationalist awakening and the spreading of notions of economic welfare and political rights, has gone faster than most would have anticipated at the turn of the century. Whether a truer vision of things to come would have acted as a brake on humanitarian impulses or would have added strength and confidence to the proponents of such policies is at least debatable.

Mr. Panikkar also credits the West with the development and transmission of the conception and mechanism of a modern state and with the introduction of new legal principles. "Oriental despotism" is dead, "even if democratic institutions in Asia, as in some Latin American Republics, get metamorphosed into something quite different from their original shape and form." He asks himself what Western influences are likely to become

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permanent and what the extent of these influences on Asian societies will be, and concludes:

> Economic structure may break down, leading to widespread misery; political organizations may disappear under the impact of new revolutionary forces. In these spheres Asian societies may conceivably be thrown back after a period. But it is difficult to imagine how the basic ideas of the new legal systems could be changed so easily, unless civilization itself is extinguished in these areas. For such a pessimism there is no valid reason in countries like India, China and Japan where elaborate legal systems survived unimpaired even periods of dreadful confusion and anarchy. We may therefore assume that the great changes brought about in social relationships by the introduction and acceptance of new legal systems will be an abiding factor in the civilization of Asia (p. 498).

If Mr. Panikkar's insight is correct, the West will have provided beneath transitory forms of political and economic organization, adapted to specific circumstances, the fundamental principles on which a world community might gradually be established. This would be no mean achievement, and one that should hardly be weighed in the same balance with isolated acts of brutality or stupidity, however regrettable they were.

Among contributions of more limited import, although probably of more immediate relevance to the present generation of articulate Asians, Mr. Panikkar does not overlook that "the leadership in the movement which ultimately displaced European supremacy belonged to those who had been trained by the West" and that "the prophets of nationalism who influenced Asia were Mazzini and the Irish patriots struggling to achieve the national independence of their respective countries" (p. 491). He even admits that "European scholars and thinkers, by their labours in the interests of knowledge, enabled India, Ceylon and Indonesia to think in terms of historic continuity" (p. 492)—in other words, provided Asians with national histories. Even more, "European learning therefore earned the respect of all Asians during a whole century" (p. 496).

In somewhat curious contrast to these statements is the thesis which forms perhaps the most brilliant but also the most controversial part of Mr. Panikkar's book: what appears as the major sin of the period of Western dominance over Asia is "spiritual

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aggression," carried out as a deliberate plot, through the agency of Christian missions. To the extent that this action was successful, it created, through social disorganization, a vacuum which is now being filled by Communism. The various elements in this argument need separate examination as to their factual validity. As a whole, the issue raises important problems of evaluation in a broader philosophical framework.

First of all, if Mr. Panikkar's thesis is acceptable—which remains to be seen—the question might be asked whether it does not contradict his assertion concerning the beneficial reorganization of Asian societies under Western influences. Was it possible for Western legal principles to take hold in Asia without the basic values, derived from the Judaeo-Christian tradition, on which they were grounded?

In an earlier work, on Hinduism, Mr. Panikkar has argued that Hindu religious principles can and should be separated from principles of social organization, such as the caste system, which have "no religious sanction of any kind"[22] but are a late development, erroneously invested with religious authority; that, in fact, they were only based on Hindu law, which, like any legal system, is not immutable. Therefore, Mr. Panikkar is consistent on this point. His hypothesis is that Western legal influences were beneficial, whereas Western "religious aggression" was detrimental, and the one would have been conceivable without the other.

This still leaves unanswered the question of whether the West, without the moral certainty that its values were superior, would have engaged in the reorganization of Asian legal systems. It might have, if it believed in the intrinsic merit of such reforms, without considering them part and parcel of a way of life anchored in a basic religious-philosophical world-view. It did not happen this way, under the concrete historical circumstances of Western expansion.

To answer this kind of question we would need a much more developed theoretical understanding of culture than we currently have in the social sciences. Are cultures integrated systems of which the parts are functionally interrelated and can change only in certain ways, or are the various components of the whole so

[22] *Hinduism and the Modern World*, Allahabad, Kitabistan, 1938, p. 26.

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loosely articulated as to permit almost any forms of disintegration and reorganization?

The second issue raised by Mr. Panikkar is equally interesting and deserves much further exploration, starting from the insights he provides. In his view, there is a close correlation between the success of Western "religious aggression" and current Communist successes. His argument is, in essence, as follows:

> No counter-reformation had taken place within the Chinese society comparable to what happened in India. In the social and ethical anarchy thus created, the doctrines of the Russian Revolution had a dominant influence which it [*sic*] failed to secure in India. In countries like Iran and Afghanistan, where the social structure, however reactionary, had held together and was not subjected to the same pressures as in China and in India, its direct influence has been even less. Thus we have the significant phenomenon of Communism moving in to fill a vacuum in China and in Annam, while in India, where the vacuum had been previously filled by a partial readjustment of society and a reform of religion, Communist thought has been mainly an intellectual development, helping to oust the hold of the West. And, finally, in independent countries like Iran, Afghanistan and Siam, where there has been but little social or religious aggression, Communist thought has on the whole failed to have any appeal (p. 254).

This is a methodologically sound, though sketchy, hypothesis in terms of concomitant variations. It raises questions which various scholars have tried to answer and which need and deserve much further research. Professor Kenneth Scott Latourette, a leading authority, tried to determine some twenty-five years ago the effect of Christian missions upon China and found it a most difficult task, with inconclusive results:

> Some observers, usually non-Christian Chinese, have maintained that beyond aiding in the initial stages of the introduction of Western civilization, especially of the newer education, missions have made little impression upon the country as a whole. Others have been of the conviction that the revolution which so transformed Chinese life was primarily due to the missionary.[23]

In Professor Latourette's view, the missionaries were in no case more than one factor in a much broader process:

> That this revolution would have come had never a missionary set foot in China, and probably about when it did, no one acquainted with the facts, as we have repeatedly said, can seriously question. . . . Had never

[23] K. S. Latourette, *A History of Christian Missions in China*, New York, 1929, p. 831.

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one of their number left his native soil, the family would have disintegrated, the Manchus have fallen, and Renaissance dawned, and nationalism arisen.[24]

Despite the added knowledge of the last decades, Professor John King Fairbank remains extremely cautious in attempting to explain the Chinese revolution:

> The meagerness of our knowledge of modern China leaves us still in the stage of descriptive portraiture. Exactly how the men and events, the personalities and circumstances, the data and interpretations should be combined to form our picture of modern China's contact with the West is a problem of artistic composition more than of scientific measurement. Theories are not self-evident, any more than facts can speak for themselves. Our understanding of China must be accumulated painstakingly and in detail, through monographic research on one aspect of the record after another. Not having a final formula for Chinese society, we can hardly invent one for China's response to the stimulus of Western contact. . . .[25]

This, in my judgment, is the only valid answer one can give to Mr. Panikkar's hypothesis from the current state of our knowledge.

A final point, involving value-judgments, needs brief discussion. Mr. Panikkar's thesis can and should be separated, for scholarly purposes, from his evaluation of what he calls "religious aggression." What are legitimate methods for obtaining cultural change? I assume that human dignity implies freedom of choice, based on rational persuasion and emotional commitment without external coercion. At what point the intensity of an appeal becomes aggression can be estimated only if one is in full possession of the relevant concrete facts.

Communication of ideas and beliefs there must be, else there is nothing to choose from. In this sense, the agents through which the process of communication takes place will always assume to some degree the posture of cultural aggressors. At this level of discourse, moral evaluation is possible only in terms of one's own attitude toward the propounded ideas and beliefs.

Mr. Panikkar uses the term "cultural aggression" repeatedly with reference to Christian missionaries. On at least one page of his book he speaks of "Christian religious aggression" in

[24] *Ibid.*, pp. 834, 841.
[25] Fairbank, *Trade and Diplomacy on the China Coast*, I, p. 6.

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Indonesia, but in the same train of thought discusses the process of conversion in that country, during the same period, from Hinduism to Islam, without applying the label to the "sheikhs, hajis and maulvis from Mecca and the Middle East" (p. 115).

In a lengthy chapter on Christian missions, he makes it crystal clear that he considers "cultural aggression" more than a manifestation of individual or group missionary zeal. He sees in it a plot:

> Under the cover of the clauses of the treaty of Tientsin . . . the United States and France were putting into effect a planned spiritual aggression, which in one case was meant to conquer China for Christ and American trade, and in the other case for the Catholic church and French political influence (p. 173).

No effort is made by Mr. Panikkar to document this statement. In the light of the total record, it seems fair to assume that the major purpose of this chapter is to contribute to one of Communist China's major propaganda efforts—that is, to saturate China's and probably Asia's intelligentsia with the notion of "American cultural aggression." One Indian journalist visited Tsinghua University in Peking in May 1952 and asked a student if textbooks had been changed since "the liberation." The answer was, "Yes, they were the instruments of American cultural aggression."[26] Another Indian journalist saw, in November 1951, an exhibition arranged by Nanking University:

> Among the exhibits was the charter given to an American Mission permitting the founding of the university. This sought to prove that American "imperialism" had planned to degrade the Chinese culture.[27]

Mr. Hutheesing, who is Pandit Nehru's brother-in-law, gives us the key to Mr. Panikkar's book and personality. He reports that Mr. Nehru once said: "He will be Communist in Peking and a champion of freedom in Washington so long as it takes Mr. Panikkar somewhere."[28] Mr. Hutheesing adds that in October 1951, after listening to Ambassador Panikkar's discourses on the achievements of the New Democracy, he found that all the Ambassador's "facts" were Chinese Communist propaganda. Yet

[26] Frank Moraes, *Report on Mao's China*, New York, 1953, p. 27.
[27] Raja Hutheesing, *The Great Peace: An Asian's Candid Report on Red China*, New York, 1953, p. 13.
[28] *Ibid.*, p. 9.

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Mr. Panikkar is clearly not a Communist. In my judgment, the image of the Communist bloc that he composes in his book is the picture that he thinks "neutralist" Asian intellectuals want to see. The Heartland is now more dangerous than the maritime powers of the Rimland. For a gifted opportunist, soothing the panic may unfold interesting new opportunities. *Corruptia optimi pessima.*

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